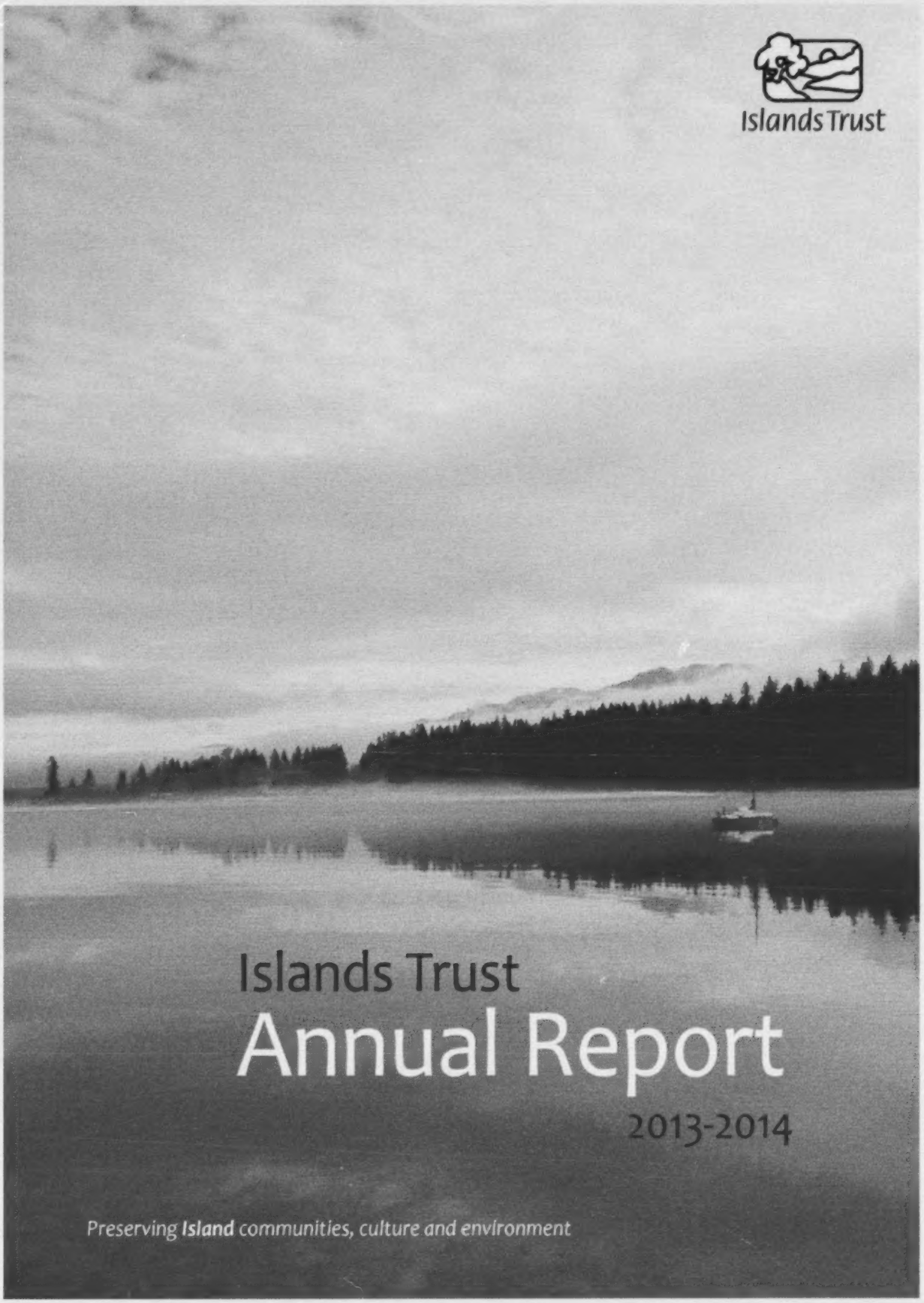


Islands Trust
Annual Report
2013-2014

*Preserving **Island** communities, culture and environment*

Cover Photo: Baynes Sound by Courtney Simpson

Contents

Message from the Islands Trust Council Chair 4
Message from the Islands Trust Fund Board Chair 5
Message from the Chief Administrative Officer 6
The Islands Trust Area 9
Organization & Responsibilities 10
2013-2014 Accomplishments 11
1. **Executive Summary of Strategic Plan and Policy Statement Accomplishments** 11
2. **Islands Trust Council Highlights** 12
   Role 12
   Members 13
   2013-2014 Advocacy 13
   Other Islands Trust Council Highlights 17
   Communications 19
3. **Islands Trust Council Committee Highlights** 19
   Executive Committee 19
   Local Planning Committee 21
   Trust Programs Committee 23
   Financial Planning Committee 24
4. **Trust Fund Board** 25
5. **Local Trust Committees and Bowen Island Municipality** 30
   Ballenas-Winchelsea Islands (Executive) Local Trust Committee 30
   Bowen Island Municipality 30
   Denman Island Local Trust Committee 30
   Gabriola Island Local Trust Committee 31
   Galiano Island Local Trust Committee 31
   Gambier Island Local Trust Committee 31
   Hornby Island Local Trust Committee 31
   Lasqueti Island Local Trust Committee 32
   Mayne Island Local Trust Committee 32
   North Pender Island Local Trust Committee 32
   Salt Spring Island Local Trust Committee 32
   Saturna Island Local Trust Committee 33
   South Pender Island Local Trust Committee 33
   Thetis Island Local Trust Committee 33
6. **Climate Change Action** 34
7. **Administrative Fairness** 34
8. **Legal Action** 34

Appendix A Strategic Plan 2011-2014
Appendix B Islands Trust Financial Statements
Appendix C Islands Trust Fund Financial Statements

Message from the Islands Trust Council Chair

It's been 40 years since the *Islands Trust Act* was proclaimed in recognition of the special nature of our island ecosystems and communities. I'm delighted there's such progress toward our mandate of *preservation and protection for the benefit of all British Columbians*. Eighteen percent of the Islands Trust Area is in permanent protection, island populations have grown, our economies are diverse, and our regulatory framework to protect ecology and shape development is informed and tested by highly engaged communities throughout our archipelago.

I am aware that all these successes depended on collaboration. We share the deep responsibility for preserving and protecting our precious islands with islanders, businesses and all levels of government. There's great power in the relationship-building needed to work cooperatively and, as global problems increase in complexity, I'm glad for the example set by islanders and the Islands Trust Council.

Other coastal governments appreciate the Islands Trust's focus on constructive solutions and it is good to be working together more and more with First Nations, local and regional government partners towards resolving longstanding issues such as ferry services, derelict vessels and oil spill prevention and preparedness. I'm grateful too for the broad participation of local governments from both sides of the border at Trust Council's December economic sustainability workshop.

Our effectiveness at finding durable solutions to complex problems relies on strengthening relationships and finding unity with all coastal communities – including across the border in Washington State. That may be the only way senior governments will heed our pleas for more sustainable environmental and social policies.

As we near the end of our 2011-2014 term of office and reflect on our efforts, I am proud that Trust Council adopted below-inflation budget increases throughout this term, including a zero increase budget for 2014-2015, all while remaining carbon neutral and completing a great deal of Council's Strategic Plan.

I am grateful for the always reliable and good-natured collaboration of Trust Council's Vice-Chairs David Graham, Ken Hancock and Peter Luckham. Together we maintain a strong focus on fulfilling Council's goals, while staying alert to new threats and opportunities to the Islands Trust Area communities and ecology.

Most importantly, achieving our mandate depends on collaboration with islanders who offer passion and expertise to tackling local problems as well as supporting Trust Council's advocacy programs. Our Community Stewardship Awards program is dedicated to celebrating those everyday heroes who are committed to supporting the mandate in their work.

Community Stewardship Awards 2013

Each year, the Islands Trust recognizes individuals and groups who support the Islands Trust mandate with significant contributions towards preserving the community, culture or the natural environment of an island. In 2013 we received nominations for eight individuals and six groups.

A special enduring achievement award went posthumously to Ana Miriam Leigh for her 20 years of supporting women experiencing violence on Denman Island.

The individual awards went to Richard Blagborne, Saturna Island, for his role in saving and restoring the Fog Alarm building at East Point Park; Chris and Judith Plant, Gabriola Island, for promoting and demonstrating sustainability through book publishing; and Jan Slakov, Salt Spring Island, for her environmental and social justice leadership.

The group awards went to the Salt Spring Island Water Council for ten years of work on island water issues; the Lasqueti Island Forage Fish Team for monitoring beaches for forage fish habitat; and the Mayne Island Conservancy Society for their shoreline care program.

The many people who dedicate their energy, time and imagination to strengthening their island communities and safeguarding our natural environment are an inspiration to all of us.

Sheila Malcolmson, Chair, Islands Trust Council

Message from the Islands Trust Fund Board Chair

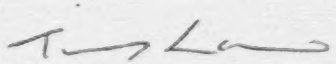
Since 1990, islanders have entrusted the Islands Trust Fund with the responsibility to protect habitat on many well-loved island places. As a land trust, the Islands Trust Fund promises that the land and covenants we receive are protected forever. We treat each donation we receive as an investment in our islands' future.

I continue to be proud of highlighting the Islands Trust Fund as a stable organization to receive these investments. Throughout our formative years, we grew at a sustainable and affordable rate. We protect more than 1,100 hectares of ecologically sensitive land without using mortgages or loans. We take a conservative approach to land acquisition, understanding the importance of planning for the continued costs of land protection. Thanks to the ongoing financial support of the Islands Trust and island taxpayers, we are among the leaders in long-term management of protected areas.

As we've matured as an organization, we have come to appreciate the role partnerships and teamwork play in our stability. We continue to register conservation covenants with partner land trusts on our nature reserves – five this year – adding a legal layer of protection to these special places. Island-based conservancies graciously help us with much of our property management, such as invasive species removal, species monitoring and restoration. Our partners play a large role in making sure the habitats we protect remain healthy and safe.

We also continue to support the projects of our land trust partners on the islands. Thanks to the generosity of our donors, the Islands Trust Fund this year distributed its highest number of Opportunity Fund grants to date, contributing more than $17,000 to land acquisition projects throughout the islands.

In carrying out the preserve and protect mandate of the Islands Trust, the Islands Trust Fund must maintain a long-term vision that ensures our protected areas are cared for far into the future. We have proactive management plans for all of our nature reserves, helping us determine the highest priority management tasks for each year. We have increased our emphasis on legacy gifts, providing information to donors who wish to make protection of island ecosystems a part of their estate planning. We are here for the long haul, so that species and ecosystems have a chance to be as well.



Tony Law
Chair, Trust Fund Board

Message from the Chief Administrative Officer

As the Islands Trust approaches its 40th anniversary, and as I mark my 23rd year working here, it is interesting to reflect on what has changed over those years – and what has not. Certainly, the Islands Trust's mandate is unchanged, as well as our staff's passion for upholding it, but some of the ways we work have changed and continue to change dramatically. Some of these changes are due to technological innovations, while others are created by legislative changes responding to increased public expectations for accountability and transparency. While this is a welcome and natural evolution in democracy, meeting those expectations requires greater investment in staff and technology.

When I first began work at the Islands Trust, we used typewriters, drew our maps on Mylar with ink and contacted people in person or by phone and 'snail' mail. There were no digital maps, no internet, no website, no emails and no requirements for open meetings. Local trust committees met rarely, some making most decisions by 'resolution without meeting' after internal discussions. While we began to go 'digital' in the late 1990's with early emails and a fledgling website, only 10 years ago our website was still just a few dozen pages of policies and meeting minutes. Only one staff person knew how to maintain it, something done when their many other duties allowed time.

With its most recent re-launch, our website gets 90,000 annual visits and offers digital maps, 400 pages of content, thousands of fully-searchable meeting records, bylaws and reports, plus numerous links to external information. We now have more than a dozen staff making daily updates and e-mailing current information to subscribers to notify them of public meetings, information sources and decisions. Our mapping systems are light years away from paper and pen – an incredible information resource for anyone interested in the Islands Trust Area. Today, Islands Trust bodies comply with 'open meeting' legislation, holding over 200 public meetings a year in public, with notices, specific procedures and minutes. Ten years ago it was rare to get an information request – now they come in by the hundreds every day. Now even the smallest local governments need staff who specialize in information technology, geographical information systems, records management and modern legislation that guides 'freedom of information', privacy, meeting procedures and policies.

In addition to those staff who have more public work, we have many staff maintaining the essential and sometimes invisible systems of modern governance that support them.

Behind the Scenes

Legislative Services

Legislative Services Manager, Carmen Thiel, is responsible for planning and coordinating the legislated obligations of the fifteen corporate bodies of the Islands Trust. In addition to advising local trust committees and Trust Council on their legislated roles, and responding to public inquiries, Carmen coordinates elections and by-elections and manages the orientation of elected officials and the training of staff regarding legislative and administrative matters.

Carmen acts as the Islands Trust's corporate 'Secretary', our Records Manager, and our 'Head' for the purposes of the *Freedom of Information and Protection of Privacy Act*, providing a unifying presence among our three offices while advising and supporting staff as they respond to statutory, procedural, records management or privacy issues. This year she drafted new minute-taking guidelines and provided training to the many island-based minute takers who serve local trust committees. She drafted a comprehensive new Local Trust Committee Correspondence Handling Policy, approved by Council in December 2013. In addition, she drafted a new Salt Spring Island Local Trust Committee meeting procedures bylaw to provide for electronic (audio or audio visual) participation where short notice or emergencies make it impractical for one or more Trustees to attend in person. When such new policies or procedures are adopted, Carmen is responsible for ensuring that they are properly implemented, through staff training, orientation of new staff, and monitoring on-going operations.

2013-2014 Staff – Comings and Goings

This fiscal year we said goodbye to several valued employees listed below and celebrated the following promotions and new hires:

- **Wendy Hawthorn** was hired on May 21, 2013 in the new position of Computer Applications Support Technician.
- **Rob Milne** joined the Northern Office on May 21, 2013 to fill the vacant Island Planner position.
- **Penny Hawley** joined the Northern Office on May 27, 2013 as an auxiliary Office Administrative Assistant, filling the vacancy created by **Theresa Warren**'s maternity leave.
- **Jason Youmans** was welcomed as a Planner 1 co-op student in the Northern Office in August 2013 and won the competition for permanent Planner 1 in the Salt Spring Office in December, 2013.
- After almost 25 years with Islands Trust, **Kathy Jones** retired on August 30, 2013. Her position as Legislative Clerk was filled by **Sharon Lloyd-deRosario**.
- To fill the vacant Planning Team Assistant position left by **Sharon**, **Lori Foster** joined the Southern Team in August 2013.
- **Rob Gratton** was also hired in August 2013 as the auxiliary Bylaw Enforcement Administrative Assistant, while **Stephanie Somers** is on maternity leave.
- **Anna Olson** joined Islands Trust as an auxiliary Finance Clerk in August 2013, to replace **Nicole Ranger**, while she was on a six-month temporary assignment with the Ministry of Children and Family Development. Anna became permanent in the position in February 2014 when she replaced **Nicole Ranger**, who took on the Islands Trust's role of Administrative Services Coordinator following **Terry Hays**' move to a new position with the Public Service Agency.
- After four years with Islands Trust, **Jeff Ralph**, Property Management Specialist, left in August 2013 for a new position with the Ministry of Aboriginal Relations and Reconciliation.
- **Caitlin Brownrigg** left her position as Planner 1 in the Salt Spring Office in October 2013 to join the Ministry of Environment.
- **Sonya Sundberg,** Grants Program Manager, left Islands Trust in November 2013 to join the Ministry of Environment. In January 2014, **Mike Richards** of Gabriola Island was hired to fill the vacancy created by Sonya's departure.
- After 22 years with Islands Trust, **Pauline Brazier**, Legislative Clerk, retired on February 28, 2014. **Claire Olivier** was promoted to Legislative Clerk at the Salt Spring Office following her departure.
- On March 28, 2014, **Andrea Pickard,** Island Planner in the Southern Office left Islands Trust after five years for a new role with the District of Saanich.

Staff Recognition Awards

In December 2013, I had the pleasure of presenting the seventh annual staff recognition awards. Our staff recognition awards program was developed by staff to recognize the achievements and contributions of their colleagues.

The **Innovation Award** can go to an individual or a team. It can be for a particularly innovative program, project, system or process that would save money, improve efficiency, save time and is over and above the normal job description. It has only been presented twice before. The winner of the Islands Trust Innovation Award for 2013 was Penny Hawley, Administrative Assistant in our Northern Office, in recognition of the significant cost savings realized by her spearheading a new garbage/recycling program.

The **Champion Award** is intended to go to an individual who champions the Islands Trust Policy Statement or strategic goals and has demonstrated this through a project or actions. This year the award was given to Robert Kojima, Regional Planning Manager of the Southern team, for his exceptional work that has resulted in Development Permit Areas for Sensitive Ecosystems for the North Pender and Galiano Local Trust Areas.

The **Legacy Award** goes to a staff member who has done something that makes a significant difference for all of us who work for the islands. This is only the fourth time someone has been nominated for this award and I was delighted to present the award to Lisa Gordon, Director of Trust Area Services, for overseeing the launch of the new Islands Trust website.

The **Service Excellence Award** goes to an individual who provides excellent customer service (internally or externally), is courteous, cooperative, dependable, assists others and is an excellent team member. The award this year went to Dave Beeston, Information System Coordinator, for going above and beyond when providing technical assistance.

The **Exceptional Team Effort Award** goes to a regular or ad hoc team, or to a special team formed for a project. It is awarded for "exceptional effort beyond standard performance; effort that exceeds normal expectations; and for overcoming major challenges." This award was presented to the Northern Team which despite some major changes and transitions during the year, continued to run seamlessly.

The **Excellence in Leadership Award** is for an individual who encourages teamwork, empowers the team, mentors staff and communicates well. This year the award was presented to both Leah Hartley, Regional Planning Manager of the Salt Spring office and Courtney Simpson, Regional Planning Manager of our Northern Office, for being valued leaders in our organization.

The **Unsung Hero Award** is intended to go to an individual who is dependable, assists others, is courteous, cooperative and is willing to take on tasks that no one else wants to do. The award went to the Northern Office's Jason Youmans, Planner 1, for his conscientious and unassuming good nature which makes him a joy to work with.

Linda Adams, Chief Administrative Officer

The Islands Trust Area

The Islands Trust Area covers the islands and waters between the British Columbia mainland and southern Vancouver Island, including Howe Sound and as far north as Comox, with the exception of Texada Island. It is approximately 5,200 square kilometres (2,000 square miles) in size and has a resident population of more than 25,000 and an additional 10,000 non-resident property-owners.

Located in the Strait of Georgia and Howe Sound, the Islands Trust Area is a unique and special place — a scenic archipelago of 13 large islands and more than 450 smaller islands and islets. The area provides habitat for an exceptional variety of species: more than 200 types of migratory and resident birds and numerous species of fish and other marine and intertidal life, terrestrial wildlife and vegetation. Outstanding scenery and recreational resources include panoramic viewpoints, sheltered bays, protected marine waterways and anchorages, all of which contribute to the beauty, appeal and tranquility of this area.

The unique natural environment of the islands in the Strait of Georgia and Howe Sound has given the area national recognition. Realizing this, the government of British Columbia enacted special protective legislation in 1974 entitled the *Islands Trust Act*. The *Act* states that the object of the Islands Trust is to "preserve and protect the Trust Area and its unique amenities and environment for the benefit of the residents of the Trust Area and of British Columbia generally, in cooperation with the municipalities, regional districts, improvement districts, other persons and organizations, and the Government of British Columbia."

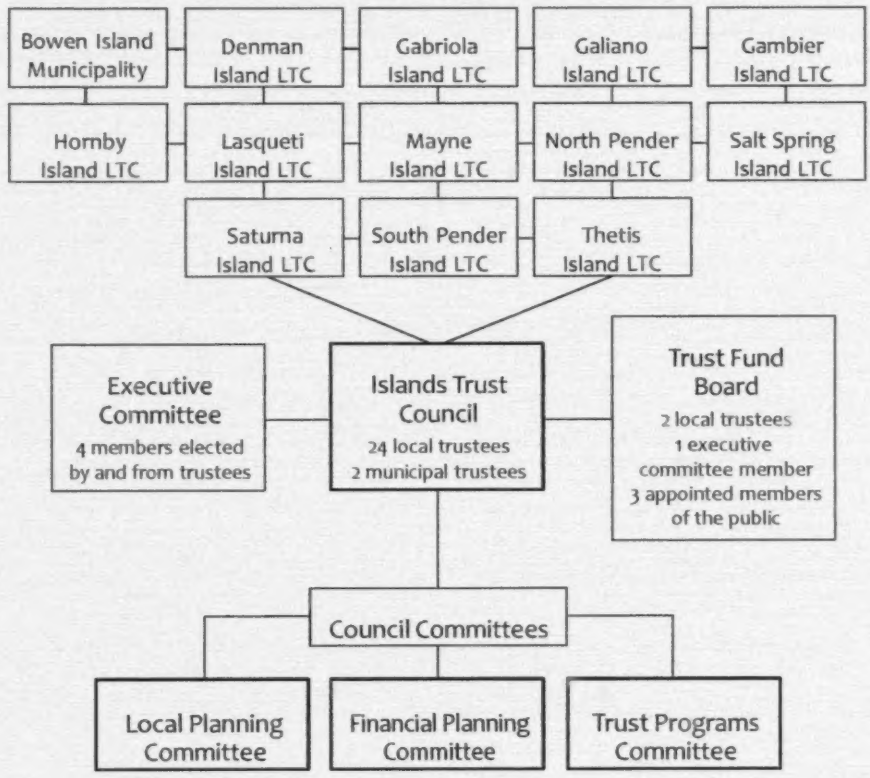
Organization & Responsibilities

The Islands Trust is a unique federation of twelve special-purpose local government bodies and Bowen Island Municipality, all of which plan land use and regulate development in the Islands Trust Area. The Islands Trust consists of a number of distinct corporate entities: the Islands Trust Council, Executive Committee, twelve local trust committees and Trust Fund Board.

Like other communities in British Columbia, island communities currently elect their local representatives every three years. Two local trustees are elected for each group of islands designated as a local trust area or island municipality. For the twelve local trust areas, the two local trustees, together with an appointed chair from the Executive Committee, are responsible for the land use decisions within their local area. For Bowen Island Municipality, the two local trustees are part of a seven-member council that is responsible for all functions of a local government, including land use decisions. Unlike the Bowen Island Municipal Council, each local trust committee also has jurisdictional authority for the smaller islands and water that surround the major island in that local trust area.

Islands Trust Legislative Structure

Local Trust Committees and Island Municipalities



2013-2014 Accomplishments

1. Executive Summary of Strategic Plan and Policy Statement Accomplishments

Trust Council uses the three main categories in the Islands Trust Policy Statement to organize its strategic plan, which in turn organizes priorities and goals for each term. Trust Council adopted its 2011-2014 Strategic Plan in September 2012 and updates it at every quarterly meeting to align Trust Council's strategic priorities with its staff resources and budget.

Selected accomplishments from this year are highlighted below under the section headings of the Policy Statement. You can read the detailed Strategic Plan and status of all activities in Appendix A.

Goal A Ecosystem Preservation and Protection

The Islands Trust will work to protect the natural environment of islands by:

Encouraging and enabling islanders in voluntary stewardship actions that protect special areas, including the shoreline

- Completed Eelgrass mapping for Gambier, Thetis, Thetis associated islands, Lasqueti, North Pender, South Pender, Mayne, Ballenas-Winchelsea, Bowen, Denman, Gabriola, Galiano, Gambier Associated Islands (excluding Thormanbies), and Hornby. Completed forage fish habitat mapping for North and South Pender.
- Awarded Opportunity Fund grants to Pender Island Conservancy ($5,000), Salt Spring Island Conservancy ($5,000) and Mayne Island Conservancy ($3,450).
- Held Islands Trust Council workshop and shared information with the public regarding invasive species.
- Launched Natural Area Protection Tax Exemption Program (NAPTEP) on Bowyer and Passage Islands, within the Gambier Local Trust Area. The program rewards private property owners with a 65% property tax reduction on land they protect with a permanent covenant. Bowen Island Municipality declined NAPTEP for the current term.

Working to protect fish habitat under BC's *Riparian Areas Regulation* (RAR)

- Adopted new bylaws to implement RAR on Saturna.
- Identified riparian watersheds on Hornby Island and improved mapping of additional riparian areas on Denman and Hornby Island.

Protecting special ecosystems, managing shoreline areas and reducing greenhouse gas emissions when land use decisions are made

- Protected 57 new hectares of land with high biodiversity, through acquisition, donation, or conservation.
- Participated in Coastal Douglas-fir and Associated Ecosystem Conservation Partnership.
- Approved policy regarding carbon-neutral operations and purchased carbon credits to balance greenhouse gas emissions that cannot be eliminated.
- Piloted a Green Shores for Homes credit rating incentive system on Thetis Island.

Advocating for new approaches to oil spill preparedness, derelict vessels, industrial developments, aquaculture, marine sewage and national marine conservation.

- Hosted local government workshops (Regional District Nanaimo Board and San Juan County (US) marine managers) to raise awareness of gaps in oil spill prevention and response capacity.

- Continued to advocate for senior government solutions to derelict vessels by participating in a derelict vessel working group, writing to Ministers and sponsoring resolution B30 with Bowen Island Municipality at UBCM in September 2013. The convention supported the resolution.

Goal B Stewardship of Island Resources

The Islands Trust will focus on good management of island water resources by:

Encouraging voluntary stewardship, advocating for legislative reform and exploring creative solutions for watershed management

- Provided input to BC's *Water Sustainability Act*.
- Compiled and web-posted educational materials about water resources for islanders.
- Adopted bylaw to delegate some Trust Council coordination and advocacy powers to Salt Spring Island Local Trust Committee, leading to the creation of the Salt Spring Watershed Protection Authority.

Using land use planning tools and decisions to protect the quality and quantity of water resources.

- Developed toolkit including model Development Permit Areas for use by local trust committees/Bowen Island Municipality that illustrates options for using planning tools to protect water quality and quantity.

Goal C Sustain Island Character and Healthy Communities

The Islands Trust will work to enhance the economic sustainability and security of island communities by:

Creating linkages between islanders and regional districts to share effective economic development.

- Hosted a half-day session on Islands Trust Area economic sustainability at December 2013 Trust Council meeting in Victoria, which included many Islands Trust Area electoral area representatives.

Continuing to advocate for sustainable, affordable and appropriate ferry services.

- Continued research and advocacy program regarding ferry fares and service, including letters to the Minister of Transportation and submissions in response to calls for public input.
- Chair attended meetings with Premier, Transportation Ministers, opposition critics and ferry commissioner.

Using land use planning tools and decisions to positively affect housing, food security, farmland protection and socio-economic diversity.

- Salt Spring Island Local Trust Committee adopted bylaw changes allowing secondary suites and explored with the community possible changes to bylaws to allow temporary portable homes and to allow for emerging industrial and commercial needs.
- Gabriola Island Local Trust Committee is considering amendments to the Land Use Bylaw and Official Community Plan to better protect farmland and improve food security.

2. Islands Trust Council Highlights

Role

The twenty-six member Islands Trust Council establishes general policies for carrying out the object of the Islands Trust. Trust Council also adopts an operational budget for the Islands Trust and manages the financial undertakings of all parts of the Islands Trust except for the Trust Fund, which manages its own operations. Trust Council appoints staff and auditors and adopts an annual budget. Tax levies on properties within the Trust Area are

the primary funding source for the operations of the Islands Trust; additional revenue comes from a provincial grant and development application fees.

The *Islands Trust Act* requires Trust Council to implement the Trust Policy Statement that is applicable to the whole Trust Area. The Minister of Community, Sport and Cultural Development must approve the Policy Statement before it is adopted. The Policy Statement provides broad policy guidelines for Trust Council, the Trust Fund Board and the local trust committees and island municipality regarding the protection of ecosystems, the stewardship of resources and the promotion of sustainable communities. The positions and philosophy of Trust Council contained in the Policy Statement also constitute a policy framework for reference by the public and other agencies such as the regional districts of the Islands Trust Area, the province and its agencies.

Trust Council has three standing committees of trustees — the Local Planning Committee, Trust Programs Committee and Financial Planning Committee — which provide policy advice to Trust Council on issues referred by the Council and on committee initiatives.

Members

The following trustees are members of the Islands Trust Council:

Bowen
Wolfgang Duntz, Andrew Stone
Denman
Laura Busheikin, David Graham
Gabriola
Sheila Malcolmson, Gisele Rudischer
Galiano
Louise Decario, Sandy Pottle
Gambier
Jan Hagedorn, Kate-Louise Stamford
Hornby
Alex Allen, Tony Law
Lasqueti
Peter Johnston, Susan Ann Morrison
Mayne
Brian Crumblehulme, Jeanine Dodds
North Pender
Ken Hancock, Gary Steeves
Salt Spring
George Grams, Peter Grove
Saturna
Paul Brent, Pam Janszen
South Pender
Mike Jones, Liz Montague
Thetis
Sue French, Peter Luckham

2013-2014 Advocacy

The Islands Trust Council's advocacy program is guided by the Islands Trust Policy Statement. The Policy Statement states that *to achieve its object, the Islands Trust must be an educator, coordinator, and initiator, guiding individuals, organizations and other agencies in support of the object. While the Islands Trust can provide the necessary leadership, responsibility for stewardship of the Trust Area rests with many. Individuals, other government agencies, organizations, and the Province itself all have important roles to play. Cooperative actions are required of other agencies, organizations and individuals to ensure that activities are carried out in a manner that is sensitive to the needs of Trust Area ecosystems and island communities.*

In response to concerns raised by communities through their elected trustees and supported by objectives in its 2011-2014 Strategic Plan, Trust Council continued to place a high priority on its advocacy program, most of which is overseen and implemented by the Islands Trust Council's Executive Committee. This work is guided by Trust Council's Advocacy Policy (Policy 6.10.iii).

In 2013-2014, Trust Council advanced its advocacy priorities by writing letters, making submissions to consultation processes, giving presentations, passing resolutions, and working with partners under the following topics:

Ecosystem Preservation and Protection

Oil spill preparedness and response: *(consistent with Policy Statement 3.1.9, 5.3.8, and Strategic Plan 2.3)*

In June 2013, the Islands Trust Council Chair wrote to Transport Canada's Tanker Safety Expert Panel to express the Islands Trust Council's concerns about the following issues:

- No accommodation within the regulatory regime for special measures in sensitive regions;
- Lack of regulations addressing oil spill prevention;
- Inadequate standards for response organizations;
- Barriers to effective trans-boundary oil spill response;
- Inadequate financial guarantees in the event of a spill;
- Insufficient knowledge about unconventional oils; and
- Lack of transparency and citizen engagement on major vessel casualty and oil spill issues.

The Islands Trust Council Chair also sent a joint letter with the San Juan County Chair to the Tanker Safety Expert Panel to express extreme concern about the oil and coal spill risks posed by marine shipping in the area and the poor state of Canadian readiness to respond to a major spill in the Salish Sea and to request that the Panel develop recommendations that create the best protection possible for our ecologically, economically and culturally rich region.

The Islands Trust Council Chair made three public presentations about oil spill risks and response concerns: on Lasqueti Island in September 2013, Gabriola Island in October 2013, and Mayne Island in January 2014.

In December 2013, the Islands Trust Council Chair wrote to the Canadian Environmental Assessment Agency requesting that Port Metro Vancouver be required to study how the increased marine traffic anticipated from the Roberts Bank Terminal 2 project would affect the ecosystems, species, and communities of the Salish Sea, and asking for an oil spill risk assessment.

In February 2014, the Islands Trust Council applied and was invited to participate as a commenter in the National Energy Board's hearing into the Trans Mountain Pipeline Expansion Project. This request was consistent with the Islands Trust Council's June 2012 decision to oppose in principle oil pipeline projects that lead to the expansion of oil export by barge and tanker from Canada's west coast due to concern about the risk of oil spills that could irrevocably damage coastal environments, economies, and communities.

In February 2014, Islands Trust Council Chair Sheila Malcolmson and Vice-Chair Peter Luckham met a representative of the Pacific Pilotage Authority regarding their risk assessment of the use of tethered escort tugs for tankers under 40,000 tons navigating Haro Strait and Boundary Pass.

In March 2014, the Islands Trust Council Chair wrote again to the Tanker Safety Expert Panel to provide input to its review of requirements for a potential Ship-source Hazardous and Noxious Substances (HNS) Incident Preparedness and Response Regime in Canada. In this submission, the Chair requested that the Panel develop recommendations that address the need for:

- Accommodation within the regulatory regime for special measures in sensitive regions;
- Regulations aimed at preventing spills from vessels in distress;
- Effective trans-boundary oil spill response;
- Transparency and citizen engagement on major vessel casualty and spill issues;
- Regulations aimed at preventing spills from vessels in distress;
- Industry-funding; and
- Seamless integration between a new Hazardous and Noxious Substances (HNS) Incident Preparedness and Response Regime and the existing oil spill regime.

Derelict and Abandoned Vessels, Barges and Docks *(consistent with Policy Statement 3.1.9 and Strategic Plan 2.3)*

Islands Trust staff continued to participate in the Joint Working Group for the Removal of Derelict Vessels in British Columbia.

At the Union of BC Municipalities convention in September 2013, the Islands Trust and Bowen Island Municipality organized a well-attended session called 'Closer to Derelict Vessel Solutions?' The Islands Trust Executive Committee also led a delegation of seventeen local governments meeting with the Honourable Steve Thomson, Minister of Forests, Lands and Natural Resource Operations, to seek an update on the Province of British Columbia's commitment to increase efforts to work with the federal government to create a permanent solution to the issue of derelict and abandoned vessels which would include sustainable funding sources. The Islands Trust and Bowen Island Municipality co-sponsored Resolution B30, which was supported by the convention:

> *WHEREAS the UBCM previously endorsed resolutions in 2005, 2010, and 2012 proposing constructive solutions and encouraging the federal and provincial governments to take action on the issue of derelict and abandoned vessels; and*
> *WHEREAS the issue continues to be of significant concern to coastal communities for economic, aesthetic, environmental and safety reasons:*
> *THEREFORE BE IT RESOLVED that the UBCM again petition the provincial and federal governments to increase their efforts to work together to create a permanent solution to the issue of abandoned and derelict vessels that includes sustainable funding sources.*

After the convention, in October 2013, the Islands Trust Council Chair wrote to both Minister Thomson and local government partners to follow up on the points raised during the September meeting.

In November 2013, the Islands Trust Council Chair wrote to Union of British Columbia Municipalities staff with comments on the Province of British Columbia's draft document *A Practical Manual for Addressing Problem Vessels and Floating Structures.*

Through January and February 2014, trustees and staff encouraged local governments and community members to provide information to Transport Canada in support of the federal government's interest in developing an inventory of vessels and floating structures of concern in British Columbia.

Coal Export Project *(consistent with Policy Statement 3.1.8 and 5.3.8, and Strategic Plan 2.3)*

In June 2013, the Islands Trust Council Chair wrote to the Port Metro Vancouver Board of Directors to express Trust Council's opposition to the proposal to export coal through Fraser Surrey Docks, and transport it by barge to Texada Island for storage and then re-loading for shipment to Asia. The letter expressed concern about potential impacts from coal dust from the proposed barges, the lack of information about the project's potential impacts on the Islands Trust Area and the project's contribution to climate change.

Sustainable Communities

BC Ferries Fares and Service *(consistent with Policy Statement 5.3.1 and Strategic Plan 4.2)*

At the Union of British Columbia Municipalities Convention in September 2013, the Islands Trust Council Chair met with the Honourable Todd Stone, Minister of Transportation and Infrastructure, and the Honourable Christy Clark, Premier of British Columbia in conjunction with the Coastal Regional District Chairs ferries group to discuss cuts to BC Ferries service.

On December 3, 2013, the Islands Trust Council hosted a workshop on island economic sustainability models. At that workshop coastal community leaders came to a clear consensus that ferry service cuts and rising ferry fares present the greatest threat to island economies.

In December 2013, the Islands Trust Council Chair wrote to the Honourable Todd Stone, Minister of Transportation and Infrastructure, regarding BC Coastal Ferries service reductions and relaying Trust Council's deep concern about the process by which ferry service reductions were being implemented, including:

- Service cuts being imposed on top of fare increases above the rate of inflation, which are expected to generate an additional $190 million this performance term;
- Elimination of sailings that are crucial to ferry users' employment, education and other core activities;
- Absence of any analysis of socio-economic impacts of service reductions;
- Lack of effective consultation with affected communities and of any consultation with local governments;
- Inadequate provision of sufficient information, time and resources to identify alternative options;
- Abandonment of the previous contractual requirement for BC Ferries to provide appropriate advance notice of schedules; and
- Lack of due regard for principles articulated in the Coastal Ferry Service contract, which states that "the coastal ferry service is integral to economic growth and development" and in the *Coastal Ferry Act* which provides for considering the interests of ferry users.

In January 2014, the Islands Trust Council Chair wrote to the Select Standing Committee on Finance and Government Services to suggest that funding for BC Ferries be a priority in Budget 2014. Also in January, the Islands Trust Council Chair wrote a letter to the BC Ferry Coalition in support of its Fiscal Fairness campaign.

In March 2014, the Islands Trust Council Chair wrote to the BC Ferry Commissioner to request a performance review of BC Ferries' management systems and structures. The Commissioner agreed to include the topic in the BC Ferry Commission's 2014 work program.

At the end of March 2014, the Islands Trust Council Chair wrote to the Honourable Christy Clark, Premier of British Columbia outlining the Islands Trust Council's concern about the government's BC Ferries service cuts, fare hikes and infrastructure funding.

Stewardship of Resources

Water Sustainability Act (consistent with Policy Statement 3.1.5, 3.1.9, 3.3.1, 3.3.2, 4.4.1, 4.4.2, 4.4.3, and 4.4.4, and Strategic Plan 3.2)

In November 2013, the Islands Trust Council provided a submission to the Province of British Columbia's *Water Sustainability Act* legislative proposal, highlighting the unique circumstances of the Islands Trust Area requiring consideration during drafting of the legislation and regulations. The submission also emphasized the need for significant ongoing provincial investment in implementing the legislation, so that local governments are not burdened with the costs of enacting and enforcing the new governance framework. Specific requests included:

- That future consultation review periods be at least 60 days;
- That the Province provide funding and priorize studies of Gulf Island aquifers to inform future regulatory decisions;
- That the Province assign priority to the Islands Trust Area, or at least the islands of greatest concern, for area-based regulations and Water Sustainability Plans;
- That regulatory mechanisms be supported with adequate provincial funding and staff resources;
- That the Province invest in education programs prior to beginning consultations that may result in domestic licencing requirements;
- That the *Water Sustainability Act* make provisions to consult domestic users when licencing commercial use of well-water; and
- That the Province prescribe standardized methods to establish that sufficient water is available to support a new structure or use, and monitor the cumulative impacts of individual wells drilled.

Agricultural Land Reserve *(consistent with Policy Statement 4.4.1)*

In December 2013, the Islands Trust Council Chair wrote to the Minister of Agriculture to convey the Islands Trust Council's concern about possible weakening of the British Columbia Agricultural Land Reserve.

Howe Sound Management Planning *(consistent with Policy Statement 3.1.9, 3.1.1, 3.1.2, 3.1.6, 3.1.10 and Strategic Plan 2.3)*

In September 2013, the Islands Trust Council Chair attended a meeting organized by the Sunshine Coast Regional District with the Honourable Steve Thomson, Minister of Forests, Lands and Natural Resource Operations, to advocate for a Howe Sound Management planning process. Trustees Jan Hagedorn and Andrew Stone spoke of the 'massive natural asset' of Howe Sound and emerging natural resource conflicts. In September 2013, the Islands Trust Council Chair also attended a meeting of the Howe Sound Community Forum as an observer.

Other Islands Trust Council Highlights

Working in Cooperation:

San Juan County

At their June 2013, meeting on Mayne Island, members of Islands Trust Council and the San Juan County Council exchanged information and discussed areas of mutual interest, including economic development, affordable housing and marine safety.

Joint Session with Bowen Municipal Council

In January 2014, the Islands Trust Executive Committee had a joint meeting with Bowen Island Municipal Council and discussed the proposed 2014-2015 budget and a number of advocacy topics of mutual interest as well as reviewing Eelgrass mapping for Bowen Island shorelines.

Economic Sustainability Session

In December 2013, the Islands Trust Council provided a unique opportunity for Regional District electoral area directors who have responsibility for economic development in the Islands Trust Area, to share effective appropriate and sustainable economic development models. The workshop provided a unique opportunity for 50 island representatives to discuss their roles in island economic sustainability and to share experiences and initiatives. In the Islands Trust Area, zoning for home business and commercial or light industry is decided locally by trustees. Regional Districts have the authority for economic development services.

Those attending included Members of the Legislative Assembly of British Columbia, electoral area directors and staff from regional districts, chairs of regional district economic development commissions, presidents of chambers of commerce, a representative of the BC Economic Development Association, members of the Vancouver Island Economic Alliance board as well as staff from San Juan County in Washington State.

At the workshop coastal community leaders came to a clear consensus that BC ferry service cuts and rising ferry fares present the greatest threat to island economies.

Those attending the workshop reviewed indicator data pertinent to economic sustainability. It is available for download from the Islands Trust website.

Trust Council Presentations

Trust Council heard a number of presentations during Trust Council quarterly meetings:

- The Community Carbon Marketplace initiative provided Trust Council with information about the options available for the purchase of carbon credits through the Community Carbon Marketplace and the options for supporting local island projects.
- Kinder Morgan Canada presented its plans to increase tanker traffic. This covered associated risks to the Islands Trust Area from a dilute bitumen spill, including information on risk assessment for the Strait of Georgia and Boundary Pass; environmental and socio-economic assessments.
- Paragon Strategic Services facilitated a workshop and small group discussion session, suggesting new tools and skills to assist trustees in making difficult decisions in their various roles within the Islands Trust.
- Senior staff provided trustees with a high level explanation about what the *Freedom of Information and Protection of Privacy Act* is and what it does and provided examples of situations that trustees may encounter while serving as elected officials.
- Senior staff provided a review to trustees about the principles of fair decision-making and how to apply those principles when considering land use applications.

- Trust Council Chair Sheila Malcolmson presented a slide show on oil spill preparedness and oil tanker traffic expansion concerns, which she has presented to other local governments on behalf of the Islands Trust Council.
- The Coastal Invasive Species Committee provided trustees with information about invasive species issues in the islands, focusing on high-priority invasive plants and strategies for management.
- Gerald Hodge, famed author on community planning and resident of Hornby Island gave a presentation on "Is your Community Senior Smart?" and what communities can do to prepare for the surge of aging baby boomers.
- Senior staff with the Ministry of Aboriginal Relations and Reconciliation provided trustees with an understanding of the BC Treaty process and an update to negotiations relevant to the Islands Trust Area.

Delegations Addressing Council in 2013-2014

At each quarterly meeting of the Islands Trust Council members of the public are invited to participate in a town hall session, a regular forum to promote dialogue between islanders and trustees.

At the June 2013, Islands Trust Council meeting on the Mayne Island, Council heard from several delegations:

- The manager of the Experience the Gulf Islands project, an initiative of the Southern Gulf Islands Economic Development Commission, provided a presentation to Council members about the proposed pedestrian and cycling trail system connecting the Southern Gulf Islands, Vancouver Island and the Lower Mainland through the ferry system, and its potential to increase low-impact tourism and support sustainable economic development.
- The Mayne Island Recycling Society addressed Trust Council about the work of the Recycling Centre and the potential funding challenges that may result from the shift of responsibility for printed paper and packaging to Multi Materials British Columbia.
- Christa Grace-Warrick of Pender Islands about future ideas for the Islands Trust Area archipelago.
- Jennifer McClean of Salt Spring Island about water flow, sidewalks and transportation infrastructure in the Gulf Islands.

At the September 2013, Trust Council meeting on Lasqueti Island, Council heard presentations from two community groups:

- The Last Resort Society; and,
- Lasqueti Forage Fish Team.

Trust Council also presented an Islands Trust Community Stewardship Award to the Lasqueti Forage Fish Team and heard from the following delegation:

- The Lasqueti Island Nature Conservancy about the current activities of the conservancy.

In December 2013, Trust Council met in Victoria and heard from the following delegations:

- The Association for Denman Island Marine Stewards and the Denman Island Forage Fish Group expressed their groups' concerns about the impacts of industrial shellfish aquaculture, particularly the expansion of geoduck aquaculture within the Strait of Georgia.
- Maxine Leichter of Salt Spring Island expressed her concerns about bylaw enforcement in the Islands Trust Area and suggested the Islands Trust undertake a study of bylaw enforcement.
- Jan Slakov of Salt Spring Island spoke to trustees about the issue of bylaw enforcement in the Islands Trust Area and suggested Trust Council establish a committee to research options on improving bylaw enforcement in the Islands Trust Area.
- The Gulf Islands Alliance asked Trust Council to consider using the Public Trust Doctrine to fight climate change in the Islands Trust Area.
- Help the Kelp provided a presentation to trustees about the threats to marine ecosystems and Bull Kelp forests in the Islands Trust Area.
- Save the Salish Sea shared its concerns about the risks of increased tanker traffic in the Salish Sea.

In March 2014, Trust Council met on Hornby Island and heard these delegations:

- The Denman Island Forage Fish Group about the impacts of industrial shellfish aquaculture, particularly the expansion of geoduck aquaculture within the Strait of Georgia.
- The Association for Denman Island Marine Stewards about concerns with the regulation of aquaculture

and the impacts of industrial shellfish aquaculture, as it relates to the expansion of geoduck aquaculture in the Trust Area.

- Cameron Thorn of South Pender Island about advisory bodies and conflict of interest policy recommendations.
- The Gulf Islands Alliance about encouraging Trust Council to focus on strengthening its relationship with Islands Trust Area First Nations.
- The BC Shore Spawners Alliance to request continued funding of the forage fish habitat mapping project.

Members of the public may address the Islands Trust Council at any of its quarterly scheduled meetings, currently held in March, June, September and December. This can be done formally, by making a delegation or presenting a petition, or informally at the town hall session. All correspondence, formal delegation presentations and petitions are available to the public.

Communications

News Releases

The Islands Trust issued 26 news releases in 2013-2014 on subjects including bylaw enforcement, public input on the annual budget, quarterly Islands Trust Council meetings and agendas, land conservation activities, Community Stewardship Awards, special initiatives, court decisions and BC Ferries. Islands Trust news releases are distributed to local media throughout the Islands Trust Area and outlying media interested in the area, other elected officials, and other interested agencies and governments, as well as subscribers to the Islands Trust electronic distribution service.

Electronic Communications

The Islands Trust website was launched in June 2013 with a range of improvements requested by islanders. It had been more than ten years since the last refresh of the website, so it was time to reinvent the software, design, menu, content and the governance systems. Where there had been only a few staff who could maintain the site – all in the Victoria office – now there are more than a dozen, spread among the three offices. There is also a Web Advisory Group of staff and trustees contributing ideas for continuous improvements. The most significant innovations now on the website are MapIT, a gateway to the most current digital map layers of the Islands Trust Area, a meeting calendar tool and a search engine that looks for the contents of all meeting documents – either for a particular island or for the whole Islands Trust Area. There are also significant changes to the appearance and menu with new features such as Trustee Corner and a "How do I?" menu.

In 2013-2014 the Islands Trust website had 89,507 visits and 353,826 individual page views. Of the visitors to the web site, 38.6% were new and 61.5% were returning visitors. There are 2,790 e-mail subscriptions - about half to updates from Trust Council and the rest from the Trust Fund Board and local trust committees. Anyone may subscribe to e-mail notifications of information including news releases, chair correspondence and meeting schedules. To subscribe to one or more topics click "subscriber options" on the homepage: www.islandstrust.bc.ca. The Islands Trust also has a twitter feed under the user name Islands_Trust and a YouTube channel under the user name IslandsTrust.

3. Islands Trust Council Committee Highlights

Executive Committee

Role

The Executive Committee is comprised of the Chair of the Islands Trust Council and three Vice-Chairs, all of whom are elected for a three-year term by Trust Council from among its members. In addition to the responsibilities of individual members who serve as the chair of local trust committees, the committee oversees external communications for the Islands Trust, liaises with the provincial government, reviews and implements the Trust Policy Statement and conducts other functions as directed by Trust Council.

The Executive Committee carries out the daily business of the Islands Trust, reviews the bylaws of local trust committees to ensure compliance with the Islands Trust object and the Trust Policy Statement, and acts as a local trust committee for the Ballenas / Winchelsea Island group north of Nanaimo.

Members

Sheila Malcolmson, Chair, Gabriola Island
David Graham, Vice-Chair, Denman Island
Ken Hancock, Vice-Chair, North Pender Island
Peter Luckham, Vice-Chair, Thetis Island

2013 Union of British Columbia Municipalities Annual Convention September 16-20

At the annual Union of BC Municipalities Convention (UBCM) Islands Trust representatives meet and share ideas with Members of the Legislative Assembly and fellow local government representatives. Chair Sheila Malcolmson and Vice Chairs Ken Hancock and Peter Luckham attended the convention on behalf of the Islands Trust Council. Trustee Jan Hagedorn attended on behalf of the Gambier Island Local Trust Committee and Municipal Trustee Andrew Stone attended on behalf of the Bowen Island Municipal Council. Chief Administrative Officer Linda Adams also attended the conference.

Islands Trust representatives participated in several clinics, workshops and provincial policy sessions, including:

- Closer to Derelict Vessel Solutions? (Hosted by the Islands Trust and Bowen Island Municipality);
- A Snapshot of the Local Government – First Nations Landscape;
- Conflict of Interest Workshop;
- Changes to the *Fisheries Act*;
- Local Government Elections Reform;
- BC's Off Reserve Aboriginal Action Plan; and,
- Electoral Area Directors Forum – with presentations about recruitment and retention of health care professionals, the *Natural Resource Road Act* and the Ministry of Forest's framework for changing legislation and policies for managing off-road vehicles.

Islands Trust representatives and Regional Districts Chairs met with the Honourable Christy Clark, Premier of British Columbia and the Honourable Todd Stone, Minister of Transportation and Infrastructure, regarding the impact of increased BC Ferries fares on users and island communities. The following ferry resolution B12 was supported at the convention:

> *"That UBCM continue to request the Province to:*
>
> - *Work co-operatively with coastal communities on implementing a long term strategy for the ferry system that supports the strengthening and sustainability of island economies and the coastal ferry service;*
> - *Implement legislation that recognizes the ferry system as an extension of our highway system and ensures fiscal fairness between the marine and terrestrial components of our highway system; and*
> - *Freeze ferry fares and service levels at 2013 levels until such time as the legislation and strategy are implemented."*

Islands Trust representatives and the Regional District of Nanaimo met with the Honourable Pat Pimm, Minister of Agriculture, about the lack of referrals and consultation with local governments about beach seaweed harvesting. The related resolution B34 was supported at the convention:

> *"That the provincial government be required to inform local governments and allow them the opportunity to comment and ensure local government zoning is in place prior to issuing licences for activity to take place on lands within or adjacent to any local government."*

The Islands Trust, with 16 local government representatives, led a meeting with the Honourable Steve Thomson, Minister of Forests, Lands and Natural Resource Operations, regarding derelict vessels. Resolution B30, sponsored by Bowen Island Municipality and the Islands Trust, was supported by the convention:

> *"That UBCM again request the provincial and federal governments to increase their efforts to work together to create a permanent solution to the issue of abandoned and derelict vessels that includes sustainable funding sources."*

Islands Trust representatives and the Sunshine Coast Regional District met with the Honourable Steve Thomson, Minister of Forests, Lands and Natural Resources Operations to advocate for a Howe Sound Management Plan. Resolution LR9 was supported at the convention:

> *"That UBCM urge the provincial government to support the development of a Comprehensive Management Plan for Howe Sound that facilitates a coordinated land and marine use planning process between First Nations, senior and local governments, and other local bodies to ensure ongoing recovery and responsible land use planning within Howe Sound."*

Islands Trust trustees and the chief administrative officer hosted a breakfast for Islands Trust Area electoral area directors and Members of the Legislative, including MLAs Gary Holman - Saanich North and the Islands (Salt Spring/Southern Gulf Islands), Nicholas Simons – Powell River Sunshine Coast (Gambier) and Don McRae, Comox Valley (Denman, Hornby); Electoral Area Directors David Howe – Capital Regional District (Southern Gulf Islands), Wayne McIntyre, Capital Regional District (Salt Spring Island), Bruce Joliffe, Comox Valley Regional District (Denman, Hornby), Merrick Anderson, Powell River Regional District (Lasqueti) and Maria Harris, Metro Vancouver Regional District (Bowyer, Passage); and Councillor Allison Morse, Bowen Island Municipality.

Islands Trust representatives also joined thousands to welcome First Nations canoes bringing residential school survivors to the opening of the Truth and Reconciliation Commission in Vancouver and witnessed residential school survivor testimony.

Bylaw Approvals

Before a local trust committee can adopt a bylaw, the Executive Committee must approve all local trust committee bylaws for compliance with the Trust Policy Statement. Before Bowen Island Municipal Council adopts an Official Community Plan Bylaw, the Executive Committee must approve the bylaw and also comment on land use bylaws for the Bowen Island Municipal Council. In 2013-2014, the Executive Committee approved 28 bylaws.

Advisory Committees

Every term, members of three standing committees of the Islands Trust Council (Local Planning, Trust Programs and Financial Planning) are appointed by the Chair to explore selected topics in detail and make recommendations to Council.

Local Planning Committee

Role

The Local Planning Committee's role is to provide policy and planning advice to Trust Council by identifying and reporting to council on emerging issues related to the committee's areas of responsibility (development management, community planning, sustainable community) and to develop guidelines, policies and models for use by staff and local trust committees.

Members

Louise Decario, Galiano Island (Chair)
George Grams, Salt Spring Island (Vice-Chair)
Brian Crumblehulme, Mayne Island
Sue French, Thetis Island
Jan Hagedorn, Gambier Island
Pamela Janszen, Saturna Island
Peter Johnston, Lasqueti Island
Mike Jones, South Pender Island
Gisele Rudischer, Gabriola Island
David Graham, Denman Island, Executive Committee Representative
Sheila Malcolmson, Gabriola Island, Ex Officio Member

During 2013-2014 Trust Council assigned the Local Planning Committee the following projects.

Shoreline Mapping Project and Green Shores for Homes *(Strategic Plan 2.1)*

The Local Planning Committee received a report indicating that the mapping and classification of shorelines was complete and that the mapping was now available to the public on the website. A final report was sent to Trust Council.

A presentation by Brian Emmet, Archipelago Marine, was received addressing the proposed Green Shores credit rating system and pilot project.

Local Planning Committee canvassed all local trust committees and then approved the request from the Thetis Island Local Trust Committee to pilot the next phase of the Green Shores for Homes program with the support of Local Planning Committee staff. Staff have drafted a document titled "A Landowner's Guide to Protecting Shoreline Ecosystems" for use by local trust committees. It will be used initially as part of the Thetis Island Local Trust Area workshops.

Proactive Bylaw Enforcement of Illegal Structures *(Strategic Plan 2.2)*

Local trust committees were canvassed to see if there was interest in doing a pilot project on proactively enforcing against illegal structures on the foreshore, but Local Planning Committee did not proceed because of lack of funding and competing priorities.

Development Approval Information

Local Planning Committee forwarded a report to Trust Council regarding the implementation of Development Approval Information bylaws and the benefits of local trust committees having these in place. The report also recommended that Council Policy 2.1 vii be amended to attach a new model Development Approval Information bylaw.

Protection of Water Quality and Quantity *(Strategic Plan 3.3)*

The Local Planning Committee approved a document titled "Gulf Islands Groundwater Protection – A Regulatory Toolkit." The toolkit was sent to the Islands Trust Council, which forwarded it to the local trust committees. The toolkit contains regulatory options (planning tools) including a model development permit area bylaw and a development approval information bylaw.

Renewable Energy Technologies in the Trust Area *(Strategic Plan 1.7.4)*

The Local Planning Committee continued work on developing model wording to encourage green technologies in the Islands Trust Area. The Local Planning Committee will next develop a model policy and regulatory wording to address micro-hydro projects.

Trust Programs Committee

Role

The Trust Programs Committee seeks direction from and provides advice to the Islands Trust Council on reviewing, amending and implementing the topics in the Islands Trust Policy Statement.

Members

Paul Brent, Saturna Island (Chair)
George Grams, Salt Spring Island (Vice Chair)
Alex Allen, Hornby Island
Laura Busheikin, Denman Island
Tony Law, Hornby Island
Liz Montague, South Pender Island
Kate-Louise Stamford, Gambier Island
Andrew Stone, Bowen Island Municipality
Ken Hancock, North Pender Island, Executive Committee Representative (2011-2013)
David Graham, Denman Island, Executive Committee Representative (2014)
Sheila Malcolmson, Gabriola Island, Ex Officio Member

2013-2014 Highlights

This year, the Trust Programs Committee provided support and recommendations to Trust Council for several of the projects in Trust Council's 2011-2014 Strategic Plan.

In support of Trust Council's focus on advocacy about BC Ferries, the committee reviewed and commented on draft documents destined for Trust Council about fare increases, service cutbacks and supported related research requests under the *Freedom of Information and Protection of Privacy Act.*

Trust Council's strategic plan also assigned the committee to guide the water education materials project, resulting in a new water resource information page on the Islands Trust website containing links to nine water agencies and more than 80 documents about wise management of water. *(Strategic Plan 3.1.1; 3.1.2)*

Trust Programs Committee supported Trust Council this year by guiding the design of a session on Economic Sustainability, delivered at Trust Council's December 2013 meeting. The session provided a unique opportunity for 50 island representatives to discuss their roles in island economic sustainability and to share experiences and initiatives. Those attending included Members of the Legislative Assembly of British Columbia, electoral area directors and staff from regional districts, chairs of regional district economic development commissions, presidents of chambers of commerce, a representative of the BC Economic Development Association, members of the Vancouver Island Economic Alliance board as well as staff from San Juan County in Washington State. At that workshop coastal community leaders came to a clear consensus that ferry service cuts and rising ferry fares present the greatest threat to island economies. *(Strategic Plan 4.1.1)*

The Trust Programs Committee reviewed a legislative monitoring briefing destined for Trust Council (*Strategic Plan 4.2.1)* and provided advice to Trust Council about a draft bylaw to delegate powers to the Salt Spring Island Local Trust Committee. (*Strategic Plan 3.4.2)*

As part of its ongoing responsibilities, Trust Programs Committee provided recommendations on the Indicator Program and the Community Stewardship Awards Program. The indicator program provides research and statistics on social, economic or environmental trends on the islands and in the region. The Community Stewardship Awards recognize individuals and groups for programs or actions that have made a significant contribution towards the object of the Islands Trust. The 2013 Community Stewardship Award recipients are reported under the Trust Council Chair's introduction on page 4.

Financial Planning Committee

Role

The Financial Planning Committee is responsible for facilitating Trust Council's involvement in the annual budget process; facilitating the linkage of the annual strategic planning process with the annual budget process; reporting and making recommendations to Trust Council regarding the organization's financial management practices; reviewing audit reports and recommendations; providing advice to the Trust Fund Board on financial services and support; and monitoring and reviewing the organization's financial management, budget and financial practices.

Members

Gary Steeves, North Pender Island (Chair)
Peter Grove, Salt Spring Island (Vice-Chair)
Paul Brent, Saturna Island
Louise Decario, Galiano Island
Jeanine Dodds, Mayne Island
Susan Ann Morrison, Lasqueti Island
David Graham, Denman Island, Executive Committee Representative
Ken Hancock, North Pender Island, Executive Committee Representative
Peter Luckham, Thetis Island, Executive Committee Representative
Sheila Malcolmson, Gabriola Island, Executive Committee Representative

2013-2014 Highlights

As part of its ongoing responsibilities, the Financial Planning Committee oversaw the completion of the 2012-2013 financial audit for the Islands Trust and Trust Fund, through its audit committee. The audit committee met the external auditors, KPMG, to review their audit findings report and asked KPMG to review the Municipal Tax Requisition calculation. Planning for the 2013-2014 financial audit was also initiated.

The Financial Planning Committee facilitated Trust Council's involvement in the 2014-2015 budget, recommending that Trust Council adopt a budget with no tax increase, with the exception of the Salt Spring Island Local Trust Area, where the Salt Spring Island Local Trust Committee had requested a Special Property Tax Requisition for coordination of the Salt Spring Island Watershed Protection Authority. Quarterly financial updates on actual results, as well as revised forecasts, were provided to the committee throughout the year for information and review.

During the 2013-2014 fiscal year, the Financial Planning Committee proposed several policy changes to Trust Council, primarily based on objectives in Trust Council's Strategic Plan. Amended policies during this period included:

Revised Purchasing Procedures Policy 6.5.iii – approved by Trust Council March 2014 *(Strategic Plan Objective 6. Improve organizational cost and operational effectiveness)*

Revised Municipal Tax Requisition Policy 7.2.ii – approved by Trust Council December 2013 *(Strategic Plan Objective 6.1 Confirm a fair distribution of Islands Trust Services to Bowen Island Municipality)*

New Carbon Neutral Operations Policy 7.4.v– approved by Trust Council June 2013 *(Strategic Plan Objective 1.6.2 Develop policy regarding carbon-neutral operations and purchase of carbon credits to balance greenhouse gas emissions that cannot be eliminated)*

4. Trust Fund Board

Role

The Islands Trust Fund was established in 1990 by the *Islands Trust Act* to preserve natural landscapes and ecosystems in the Islands Trust area. As a regional land trust for the Islands Trust area, the Islands Trust Fund works with Trust area landowners and communities to protect places of natural or cultural significance in perpetuity. The Islands Trust Fund acquires and manages land for conservation, receives donations of land, conservation covenants and cash, and undertakes stewardship education activities. As a "qualified donee" the Trust Fund Board provides receipts for income tax purposes for all eligible donations received.

Members

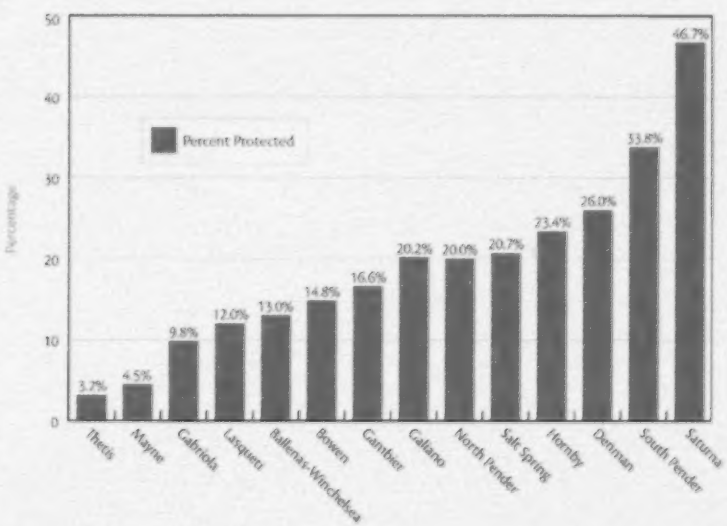
The Trust Fund Board administers the Islands Trust Fund. The Trust Fund Board has six members: two trustees elected by Trust Council, one trustee appointed by the Executive Committee and three members appointed by the Minister of Community, Sport and Cultural Development for terms of one to three years.

Tony Law, Hornby Island (2011–2014, Chair, 2012–2014)
Peter Luckham, Thetis Island (2011–2014)
Susan Morrison, Lasqueti Island (2011–2014)
Dereck Atha, Mayne Island (Appointed Member, 2010–2013, 2013–2016)
Julie Glover, Vancouver and Hornby Island (Appointed Member, 2011–2013, 2013–2015)
Robert Grant, Vancouver and Denman Island (Appointed Member, 2009–2011, 2011–2014)

Protected Area in the Islands Trust Area

As of March 2014, the Trust Fund Board had protected 1,141 hectares of natural and cultural values on 92 properties. By the same date, public and non-profit conservation organizations (including the Islands Trust Fund) had protected more than 18.3% of the Islands Trust area.

% of Protected Area by Local Trust Area and Island Municipality at March 2014



Regional Conservation Plan

The Islands Trust Fund's Regional Conservation Plan identifies the region's species and habitats most in need of protection and the actions needed to protect these biodiversity priorities. The 2011-2015 Regional Conservation Plan sets short-term conservation targets for the Islands Trust Fund and its partners that will help achieve the broader vision and long-term goals of the plan. The following is a summary of the Islands Trust Fund's progress in reaching the long-term goals of the plan in 2013-2014:

Goal 1: Protect Core Conservation Areas

The Islands Trust Fund strives to secure core conservation areas (through land donation, direct purchase and covenants) that conserve biodiversity priorities within the Islands Trust area (see http://www.islandstrustfund.bc.ca/protected-places.aspx for more information on our core conservation areas). The Trust Fund Board established criteria used to identify land with the greatest biodiversity values in the Islands Trust Area. The board formulated a list of 3,000 hectares of greatest biodiversity value in the Islands Trust Area and of greatest need of protection (Strategic Plan 1.5.1). Since adopting the 2011-2015 Regional Conservation Plan, conservation agencies have cumulatively protected 1,220 hectares of habitat in the Islands Trust Area, 833 hectares of which were deemed to be of high conservation value[1]. The Islands Trust Fund contributed 133 hectares of that figure, 117 hectares of which were mapped as having high conservation value (*Strategic Plan 1.5.2*). The following is a summary of those lands secured by the Trust Fund Board in 2013-2014.

Nature Reserves

Nature reserves and sanctuaries are owned by the Islands Trust Fund, and managed for ecological preservation. Since 1990, the Islands Trust Fund has received more than 610 hectares of ecologically sensitive land, and now protects those 25 properties as nature reserves and sanctuaries.

District Lot 58 Nature Reserve (40 hectares)

In 2013, the Trust Fund Board's acquisition of a 40 hectare property on Galiano Island bridged the final gap in the 500 hectare mid-Galiano conservation network. Now, residents and visitors of Galiano Island are able to hike across the width of Galiano, from the shores of Trincomali Channel to the Georgia Strait. The new nature reserve protects a portion of the Great Beaver Swamp, an inland bluff topped with old-growth Douglas-fir and Garry oak, and a lush forest of bigleaf maples below. DL 58's was protected through the collaborative efforts of the Galiano Conservancy Association, the Nature Conservancy of Canada's Natural Areas Conservation Program and the Trust Fund Board.

Burren's Acres Nature Reserve (two hectares)

After decades of industrial use, one Gabriola landowner made it her mission to restore the habitat on this property. Now, camas, blue-eyed Mary, seablush and wild orchid grow each spring in a mossy meadow, replacing a landscape once scarred by diatomaceous earth processing and dumping. In 2013, the landowner donated the restored property to the Islands Trust Fund to make sure her efforts to protect this piece of Gabriola remained after she was gone.

Conservation Covenants

Since 1990, the Islands Trust Fund has helped island landowners protect more than 530 hectares of habitat on privately owned land with conservation covenants. Covenants are the best conservation tool currently available to permanently protect natural features on private property while allowing landowners to retain ownership of the land they love. The Islands Trust Fund also manages the Natural Area Protection Tax Exemption Program (NAPTEP), a covenant program that provides landowners with an annual 65% property tax reduction on portions of their land protected by a conservation covenant.

Mt. Tuam Covenant (13.4 hectares)

In 2013, the Salt Spring Island Conservancy and Islands Trust Fund teamed up to protect more than 13 hectares of exquisite herbaceous habitat near the summit of Mt. Tuam. Standing more than 600 meters above the waters of

[1] 566 hectares of the 1,220 hectares are protected in Old Growth Management Areas (OGMA) on Gambier Island. Forest licensees are required by the Ministry of Forests, Lands and Natural Resources to maintain OGMAs when preparing Forest Stewardship Plans.

Satellite Channel, Mt. Tuam is a rare haven for more than 24 species at risk, including Yellow Montane Violet and Coastal Scouler's Catchfly. The covenant prevents the private landowner and future owners from developing inside the protected area, keeping intact the vast Garry oak meadow. The covenant was made possible with generous funding from Environment Canada's Habitat Stewardship Program for Species at Risk.

Upper Terrace Covenant (1.3 hectares)

The Upper Terrace Covenant is the seventh property to be protected on Stanley Point, adding to a growing network of permanently protected habitat in this North Pender neighbourhood. Garry oak and associated ecosystems are among the most endangered in Canada, with fewer than 5% remaining in natural condition. The Upper Terrace Covenant protects examples of these ecosystems permanently, ensuring this habitat is never subdivided or developed.

Goal 2: Protect Biodiversity in Working Landscapes

The Islands Trust Fund strives to research ways that biodiversity priorities can be maintained on lands outside core conservation areas, including working landscapes. Agriculture, forestry and residential development are important parts of island life. Recognizing that not all natural areas in the islands can be preserved in core conservation areas, the Islands Trust Fund is encouraging land uses that respect and maintain the health and integrity of island ecosystems (see http://www.islandstrustfund.bc.ca/initiatives/privateconservation/land-stewardship.aspx for more information).

Goal 3: Conserve Marine Ecosystems

The Islands Trust Fund works with partner organizations to conserve marine ecosystems and habitats (see http://islandstrustfund.bc.ca/initiatives/marineconservation.aspx for more information on our marine initiatives and for copies of the mapping described below).

In 2013-2014, the Islands Trust Fund partnered with the BC Marine Conservation and Research Society to map forage fish spawning habitat on the shorelines of the following areas:

- Denman Island
- Hornby Island
- Thetis Island

In 2013-2014, the Islands Trust Fund partnered with the Seagrass Conservation Working Group, SeaChange Marine Conservation Society and the Mayne Island Conservancy Society to map nearshore Eelgrass habitat in the following areas:

- Ballenas – Winchelsea Islands
- Bowen, Passage and Bowyer Islands
- Cufra Inlet (Thetis)
- Denman Island
- Hornby Island
- Gabriola Island
- Galiano Island
- Valdes Island

Goal 4: Encourage Local Governments to Prioritize Biodiversity (Strategic Plan 1.1.3)

The Islands Trust Fund strives to work with the Islands Trust Council, local trust committees and island municipalities to implement regional conservation goals and objectives within Official Community Plans and Land Use Bylaws (see http://www.islandstrustfund.bc.ca/i-am-a/local-government.aspx for more information). In 2013-2014, the Islands Trust Fund provided ongoing support for Islands Trust Local Planning Services' use of sensitive ecosystem mapping in Official Community Plans and Land Use Bylaws. The Islands Trust Fund distributed new nearshore habitat mapping to local trust committees to inform land use planning in communities interested in protecting shoreline habitat (*Strategic Plan 1.1.3*). The Islands Trust Fund also initiated regular e-news updates to local trust committee chairs and local trustees to inform them of conservation activity in the islands and to identify opportunities and issues relevant to planning and island governance.

Goal 5: Empower Islanders to Conserve the Islands

Financial Support for Private Land Conservation

Barrie and Nancy Morrison were deeply devoted to conserving the natural world. They were active members of the Pender Islands Conservancy Association and protected habitat on their own land with a conservation covenant. After Nancy's death in 2007, Barrie started a fund in his wife's memory to further private land conservation on the Pender Islands. Barrie's family continued that memory after Barrie's death in 2013 with a $20,000 donation to the Islands Trust Fund, creating the Morrison Waxler Biodiversity Protection Legacy Fund. The fund will help other Pender Island landowners protect habitat on their land with covenants, carrying on the Morrisons' legacy. Starting in 2014, North and South Pender Island landowners may apply to the fund for assistance with the costs associated with placing a covenant on private land.

The Natural Area Protection Tax Exemption Program (NAPTEP) provides landowners who permanently protect natural features of their land through conservation covenants the opportunity to receive a 65% exemption in property taxes on the protected portion of their land. In 2013, the Greater Vancouver Regional District agreed to the implementation of NAPTEP on the islands within their jurisdiction (*Strategic Plan 1.2.2*). This means landowners on Bowyer and Passage Islands now have the opportunity to reduce their property taxes with a conservation covenant (*Strategic Plan 1.2.3*). Metro Vancouver's decision means all seven regional districts in the Islands Trust area have now consented to the innovative conservation tax-incentive, making NAPTEP available to landowners in all but one local trust area[2].

Stewardship Education

The Islands Trust Fund encourages islanders to get involved in conserving and stewarding private land by supporting conservation education and sharing information on best practices (*Strategic Plan 1.1.1*; see http://www.islandstrustfund.bc.ca/initiatives/privateconservation.aspx for more information). In 2013-2014, the Islands Trust Fund promoted private land conservation in newspaper and magazine articles, through its website, the distribution of its newsletter (distribution - 328), e-news updates to online subscribers (593 subscribers) and Twitter (250 followers). The Islands Trust Fund distributed information to islanders by hosting display booths at community events and fairs, as well as speaking about conservation covenants at local conservancy events. New communications materials promoting engagement in land conservation were produced and distributed, including a Planned Giving information package (*Strategic Plan 1.4.2*), and two rack cards – a general promotional rack card and NAPTEP.

Goal 6: Building Strong Conservation Partners

The Islands Trust Fund strives to support and enhance the work of conservation partners working in the Islands Trust Area (*Strategic Plan 1.1.5*; see http://www.islandstrustfund.bc.ca/initiatives/supporting-island-land-trusts.aspx for more information). In 2013-2014, the Islands Trust Fund sponsored island land trusts' attendance at the following regional conservation training seminars and networking events:

- Small Islands International Conference (Gabriola)
- Land Trust Alliance of BC Conservation Covenant workshop
- Cortes Island Land Trust Symposium

Opportunity Fund

The Opportunity Fund raises public support for key opportunities to protect biodiversity in the Islands Trust Area. The fund provides support for 'hard to fundraise' costs associated with land protection or to leverage increased donations for specific land acquisition projects. Grants from the Opportunity Fund support acquisitions led by either the Islands Trust Fund or our partners. The disbursement of funds is guided by the Regional Conservation Plan, and each opportunity is considered by the Trust Fund Board.

[2] The Bowen Island Municipal Council has not agreed to implementation of NAPTEP in the Bowen Island Municipality, and the tax exemption is therefore not available to Bowen Island landowners (Strategic Plan 1.2.1).

In 2013-2014, the Opportunity Fund received $9,076 in donations and $125.75 in calendar sale proceeds (*Strategic Plan 1.4.2*). The Trust Fund Board distributed the following Opportunity Fund grants (*Strategic Plan 1.1.5*):

- $10,000 to the Pender Islands Conservancy Association for the purchase of Brooks Point on South Pender Island
- $5,000 to the Salt Spring Island Conservancy to cover survey, legal and closing costs associated with the purchase of Blackburn Lake on Salt Spring Island
- $2,200 to the Mayne Island Conservancy Society to cover appraisal and assessment costs associated with a potential land purchase on Mayne Island.

Geographically Restricted Funds

Some people who donate to the Islands Trust Fund prefer to designate their donation to a specific project or island. To accommodate this request, the Trust Fund Board holds several geographically-specific accounts. In 2013-2014, the Islands Trust Fund received $1,071 in donations for the Lasqueti Island Acquisition Fund.

Goal 7: Take Care of What We Have

Acquiring a property or signing a conservation covenant is just the first step in ecosystem protection. The Islands Trust Fund endeavours to monitor and manage its core conservation areas to maintain and enhance existing biodiversity features (see http://www.islandstrustfund.bc.ca/protected-places/caring.aspx for more information).

Property Monitoring

The Islands Trust Fund annually monitors the conservation areas it protects to ensure high natural values are maintained. In 2013-2014, top management issues identified included serious riparian area damage by aggressive off-road vehicle activity in and around the Fairy Fen Nature Reserve on Bowen Island. The Islands Trust Fund is working with the Bowen Island Conservancy (management group) and the Ministry of Forests, Lands and Natural Resources to construct barriers to off-road vehicles on Crown land adjacent to the reserve.

Property Management

The Islands Trust Fund manages its nature reserves according to management plans that identify long-term conservation, and in some cases, restoration goals. In 2013-2014, the Islands Trust Fund undertook the following management projects:

- Removed exotic and invasive species from the Morrison Marsh and Lindsay Dickson Nature Reserve (Denman), Trincomali Nature Sanctuary and Laughlin Lake Covenant (Galiano), and Andreas Vogt Covenant (Salt Spring)
- Commissioned a vegetation survey for District Lot 58 Nature Reserve (Galiano), and species-at-risk surveys at Tate and Mt. Tuam Covenants (Salt Spring), Little D'Arcy Island Covenant, and Windthrow Covenant (Sidney Island)
- Adopted 10-year management plans for DL 58 Nature Reserve and Trincomali Nature Sanctuary (Galiano)
- Commissioned trail building on DL 58 Nature Reserve to connect the protected area with the larger Mid Galiano Conservation Network (Galiano)
- Initiated Sharp-tailed Snake and Cormorant nest monitoring program at Trincomali Nature Sanctuary (Galiano)
- Conducted soil-loosening, hydro-seeding and planting of a gravel pit at Long Bay Wetland Nature Reserve (Gambier)
- Registered conservation covenants on the Mt. Trematon Nature Reserve (Lasqueti), and the Long Bay Wetland, Brigade Bay Bluffs and Mount Artaban Nature Reserves (Gambier)

5. Local Trust Committees and Bowen Island Municipality

A local trust committee exists for each group of islands designated as a local trust area under the *Islands Trust Act*, except for Bowen Island, which is an island municipality.

Each local trust committee has three members — two locally elected trustees and one Executive Committee member who serves as the Chair. A local trust committee is responsible for land use planning and regulation for its area of jurisdiction. The responsibilities include preparation and adoption of Official Community Plans, Land Use Bylaws, zoning and subdivision bylaws, regulation of soil removal and deposit, and authorization of permits under Part 26 of the *Local Government Act*.

The Bowen Island Municipality is served by a seven-member Council, which holds broad municipal powers including land use planning. Two of the municipal councillors are elected to Trust Council by the community.

Ballenas-Winchelsea Islands (Executive) Local Trust Committee

The Executive Committee acting as a local trust committee (**Ballenas-Winchelsea Islands**) held three regular business meetings, two special business meetings, one public hearing, and one community information meeting in Nanoose, BC.

The local trust committee has been continuing with progress towards the adoption of the first Official Community Plan and Land Use Bylaw for the islands in the local trust area. Adoption of both bylaws No. 27 and 28 is anticipated by mid-2014 with key issues having been addressed such as recognition of First Nations concerns, shellfish aquaculture and the disposal of Crown lands.

Bowen Island Municipality

Councillors Wolfgang Duntz and Andrew Stone represent Bowen Island Municipality on the Islands Trust Council. Bowen Island Municipality produces its own annual report, which can be found online at www.bimbc.ca.

Denman Island Local Trust Committee

The Denman Island Local Trust Committee held 11 regular business meetings in the 2013-2014 fiscal year. Work continued on addressing the negative impacts of certain aquaculture practices and possible regulatory measures to mitigate these on the Denman Island shoreline. As part of this initiative the local trust committee invited representatives from both the federal Department of Fisheries and Oceans and the provincial Ministry of Forests, Lands and Natural Resource Operations to provide public presentations on their agencies' respective roles in the tenure-issuing and compliance-monitoring processes. As well, the Marine Advisory Planning Commission was requested to review the matter of controlling beach access from strategic beach access roads. *(Strategic Plan 1.1, 2.1, 2.4 and Islands Trust Policy Statement 3.1.1, 4.5.8).*

Public consultation in 2013 focused on a review of Official Community Plan housing policies. This consultation process included a well-attended community information meeting in the late fall and the outcomes of the process resulted in a focus upon creating greater opportunities to develop attainable housing with a focus upon secondary suites and secondary dwelling units. Draft bylaws to amend the Official Community Plan and Land Use Bylaw were developed and reviewed by the Advisory Planning Commission and were sent out for early referral comments. Also in this period the bylaws necessary to enable the Denman Community Land Trust Association affordable housing project received final approval and all the permits necessary to commence the project were issued. *(Strategic Plan 4.3.1, 4.3.2 and Islands Trust Policy Statement 5.8.6).*

A stream mapping and assessment contract was completed for the five remaining *Riparian Area Regulation* applicable watersheds to complete the first necessary step towards complying with the provincial regulation. A public consultation process is planned for the spring and early summer of 2014. Input from that process will be used to review draft amendments to Development Permit Area 4: Streams, Lakes and Wetlands, as well as an accompanying draft Development Approval Information Bylaw. *(Strategic Plan 1.3.3, 3.3 and Islands Trust Policy Statement 3.3.2)*

Gabriola Island Local Trust Committee

The Gabriola Island Local Trust Committee held ten regular business meetings, one special meeting, three public hearings, and two community information meetings in the 2013 - 2014 fiscal year.

The focus of the Gabriola Island Local Trust Committee's work this fiscal year was to implement the *Riparian Areas Regulation*. A community information meeting was held in July with biologists as guest speakers, followed by a public hearing in September. As a result of input received before and during the public hearing further mapping was done to reduce the development permit area, and a second public hearing was held in March. (*Strategic Plan 1.3.5, 3.3 and Islands Trust Policy Statement 3.3.2*)

The local trust committee also held a public hearing for a bylaw to designate Mudge Island as an area for which development approval information may be required, and drafted bylaws for Gabriola to amend zoning in parks (*Islands Trust Policy Statement 3.1.3, 3.1.4*), to implement greenhouse gas emissions reduction policies, (*Strategic Plan 1.6 and Islands Trust Policy Statement 3.1.5*) and to amend agricultural policies (*Strategic Plan 4.4 and Islands Trust Policy Statement 4.1.5, 4.1.6, 4.1.8*).

Notable development applications included a development permit amendment and new development permit area application for a significant commercial development site in the village.

Galiano Island Local Trust Committee

The Galiano Island Local Trust Committee held ten regular business meetings, two special meetings and five public hearings. The local trust committee received and considered applications or referrals for one rezoning, six development permits and four development variance permits.

The local trust committee also concluded several applications received in the previous period, most notably a rezoning of a Forest zoned property on North Galiano to permit the development of 12 residential lots with the large remainder being transferred to the province (BC Parks) to be added eventually to Bodega Ridge Provincial Park. One other similar application was approved in early 2014 and one initiated in 2013.

Projects initiated or completed during this period included a series of phased amendments to the Land Use Bylaw, implementing policy changes identified in the Official Community Plan, which was amended in 2011, and improving clarity and consistency. Additional projects initiated include addressing short-term vacation rentals, and revising the Elevated Groundwater Development Permit Area, (*Strategic Plan 3.3 and Islands Trust Policy Statement directive policy 4.4.2*).

Gambier Island Local Trust Committee

The Gambier Island Local Trust Committee held nine regular business meetings, two public hearings, and two community information meetings in Gibsons, West Vancouver, and on Keats and Gambier Islands.

The Gambier Island Local Trust Committee adopted a new Land Use Bylaw for the Gambier Associated Islands in September 2013. It also oversaw the preparation of a sustainability guide to serve property owners building in the northern local trust areas and the Howe Sound, encouraging voluntary stewardship, sustainable energy, reducing greenhouse gas emissions, and protecting water quality and quantity *(Policy Statement 3.3.3, 4.4.4, 4.4.7, 5.1.4, 5.4.5, 5.8.8 and Strategic Plan 1.1, 1.6, 3.3)*. Throughout the fiscal year, the local trust committee liaised with government agencies and neighbouring local governments on cross-jurisdictional activities occurring in Howe Sound. In October 2013, the local trust committee joined the Coastal Douglas-fir and Associated Ecosystem Conservation Partnership *(Strategic Plan 1.5.3)* and in February 2014, hosted a webinar for the Howe Sound Community Forum *(Strategic Plan 2.3.9)*. Most recently, the local trust committee began work on foreshore protection, focusing on mapping, education, and voluntary stewardship (*Strategic Plan 1.1, 2.1*); this work will continue into 2015.

Notable development applications included the approval of a rezoning application for a community dock and renewed work on two longstanding rezoning and subdivision files.

Hornby Island Local Trust Committee

The Hornby Island Local Trust Committee held eight regular business meetings for this fiscal period. The focus of public consultation for 2013-2014 was the completion of the review of the current Official Community Plan and Land Use Bylaw. A community information meeting was held in October to review draft Official Community Plan amendments. The results of this meeting were included in the Advisory Planning Commission's review of the draft Official Community Plan, which was subsequently sent out for early referral *(Strategic Plan 1.3, 3.3, 4.3, 4.5)*.

A stream mapping and assessment contract was completed for the remaining unmapped portion of the Beulah Creek watershed as well as three other *Riparian Area Regulation* applicable watersheds to complete the first necessary step towards complying with the provincial *Riparian Areas Regulation*. *(Strategic Plan 1.31, 1.3.3, 3.3)*

Lasqueti Island Local Trust Committee

The Lasqueti Island Local Trust Committee held five regular business meetings and one community information meeting on Lasqueti Island. With regards to the Local Trust Committee Work Program top priorities, the local trust committee accomplished the following:

(1) *Riparian Areas Regulation* Compliance – The local trust committee approved a project charter and communication plan. A second watershed assessment report was completed, supplementing the report that was done the previous year. The local trust committee endorsed using a setback and screening regulation approach to become compliant with the *Riparian Areas Regulation*, and is planning a community information meeting for the summer of 2014. *(Strategic Plan 1.3 – Protect Fish Habitat by Implementing Riparian Areas Regulation)*

(2) False Bay Master Plan –The local trust committee approved a project charter and communication plan. A community information meeting was held in regards to land use/density and bed and breakfasts having secondary kitchens. A second community information meeting relating to parking and hunting was being planned for April 2014.

(3) Update Official Community Plan with intertidal zone policies using specific recommendations from the forage fish team and the Greenshores and Eelgrass Project – Eelgrass Mapping was completed for Lasqueti Island *(Strategic Plan 1.1 Encourage voluntary Stewardship of the Natural Environment and, 2. Protect Coastal and Marine Ecosystems).*

Mayne Island Local Trust Committee

The Mayne Island Local Trust Committee held eight regular business meetings, two special meetings, three community information meetings and two public hearings. The local trust committee considered applications for one rezoning and two temporary use permits.

Projects initiated, conducted or completed during this period included work on bringing the local trust committee's bylaws into compliance with the *Riparian Areas Regulation* (*Strategic plan 1.3 and Islands Trust Policy Statement policy 3.3.2*), a project to review policies to support fallow deer eradication, amendments to permit and regulate secondary suites, amending potable water requirements for boundary subdivisions, and initiating a series of technical amendments to the Official Community Plan and Land Use Bylaw.

North Pender Island Local Trust Committee

The North Pender Island Local Trust Committee held ten regular business meetings, one special meeting and two community information meetings. The local trust committee received and considered applications for three rezonings, three development permits, three development variance permits, one temporary use permit and one liquor licence referral.

Projects initiated, underway or completed during this period included continuation of the shoreline conservation initiative, including creation of two publications and a community event with nine other agencies, a project to implement conservation subdivision design principles (*Islands Trust Policy Statement policies 3.1.3, 3.1.4, 3.2.2 and 3.3.2*), and a series of technical amendments to the Land Use Bylaw.

Salt Spring Island Local Trust Committee

The Salt Spring Island Local Trust Committee held 16 regular business meetings, four special business meetings, four public hearings, and four community information meetings between March 2013 and April 2014.

In July 2013, the Salt Spring Island Local Trust Committee adopted a bylaw to permit secondary suites on Salt Spring Island. A program for implementation has been advancing through the production of information materials to assist land owners in understanding the requirements; the production of a water conservation brochure; collaboration with Capital Regional District building inspection staff to ensure consistent communications; and, considering a subsequent Official Community Plan amendment to have temporary use permits be used to allow secondary suites and care cottages where they are not currently allowed by zoning. (*Strategic Plan 4.3.1, 4.3.2*).

In March 2014, the local trust committee completed the mapping of 26 watersheds under the *Riparian Areas Regulation* (RAR). More than 200 kilometres of streams were mapped within 1-5 metre accuracy using GPS by Qualified Environmental Professionals (QEPs). QEPs also gave recommendations to the local trust committee on the

implementation of the RAR. The implementation of the RAR is being advanced with policy and regulatory development (*Strategic Plan: 1.3.3*).

Throughout the 2013-2014 fiscal year, the Industrial Advisory Planning Commission (IAPC) met 17 times to develop recommendations to the local trust committee that would promote socio-economic diversity on Salt Spring Island. It is hoped that this will furnish Salt Spring Island with sufficient commercial and industrial land for the next 25 years (*Strategic Plan 4.5.1*). The IAPC also helped draft Terms of Reference and provided feedback for an Industrial Land Needs Assessment conducted by Urbanics Consultants Ltd. Urbanics' final report was submitted in August 2013.

The local trust committee also advanced work on collaborative watershed management, with a focus on remediating St. Mary Lake by working with other agencies through coordinating the Salt Spring Island Watershed Protection Authority (SSIWPA). The local trust committee received delegated powers to coordinate SSIWPA in June 2013 and had a special property tax requisition approved by the Islands Trust Council in March 2014 to fund the coordination (*Strategic Plan 3.4.1, 3.4.2*).

The Salt Spring Island Local Trust Committee restructured its advisory bodies. The local trust committee adopted a new Advisory Planning Commission Bylaw which amalgamated the previous Environmental Advisory Committee, the Advisory Design Panel and the previous Advisory Planning Commission. The new Advisory Planning Commission bylaw retains Salt Spring's Agricultural Advisory Committee as an Agricultural Advisory Planning Commission and continues to allow special project APCs to be created on an as needed basis.

There were some notable development applications initiated in 2013-2014, including a temporary use permit for metal recycling and associated uses, and two large rezoning applications. One large rezoning application is for consideration of 50 guest accommodation cottages on Bullock Lake and the other is for an 80-unit affordable housing project in the Ganges Village core. In total, three applications included rezoning for affordable housing developments.

Saturna Island Local Trust Committee

The Saturna Island Local Trust Committee held five regular business meetings, one special meeting and one community information meeting. The local trust committee considered two Agricultural Land Reserve applications, two development variance permits, one development permit and frontage waivers and covenants related to two subdivision referrals.

Projects initiated, conducted or completed during this period included a review of the community amenity density reserve, development of temporary use permit guidelines for short-term vacation rentals and a review to consider permitting and regulating secondary suites.

South Pender Island Local Trust Committee

The South Pender Island Local Trust Committee held five regular business meetings, three special meetings, three community information meetings and one public hearing. The local trust committee received and considered applications or referrals for one development variance permit during the reporting period.

Projects undertaken during this period included an on-going review of the Land Use Bylaw and support for a shoreline mapping component for the Islands Trust MapIT program. The shoreline mapping initiative was a project to increase shoreline awareness by expanding the public mapping website to include additional shoreline related data and educational materials. The local trust committee also considered implementing policies and regulations for ocean loop geo-thermal systems.

Thetis Island Local Trust Committee

In 2013-2014, the Thetis Island Local Trust Committee held seven regular business meetings and two community information meetings. The local trust committee prepared the first Official Community Plan and Land Use Bylaw for the local trust area's associated islands, nine small islands that had limited or no regulatory mechanisms for their preservation and protection pursuant to the Islands Trust mandate. In early 2013, the local trust committee began a priority project on shoreline protection focusing on education, mapping and voluntary stewardship (*Strategic Plan 1.1, 2.1*). In November 2013, Thetis Island Local Trust Area became the focus area for further exploration of the Green Shores draft Credit Rating System (*Strategic Plan 2.1.3*), which continues to be supported in part by the Real Estate Foundation of British Columbia. Work also continued on implementing provisions necessary to meet the *Riparian Areas Regulation* on Thetis Island (*Strategic Plan 1.3.5.*); this work will continue in 2014.

6. Climate Change Action

Climate change will have serious consequences on our island ecosystems, from oceans to shorelines to forests, and on the economies and communities that depend on them. Islands Trust Council's strategic plan (1.6) maintained the goal of reducing greenhouse gas emissions in the Islands Trust Area and continued to take action in three areas to honour our commitments under the BC Climate Action Charter.

1) For the second year, the Islands Trust achieved carbon neutrality in its operations through performing an emissions inventory and purchasing carbon offsets to achieve neutrality. Emissions in 2013 were 62.74 tonnes of CO_2, down slightly from 2012. Those emissions are neutralized by purchasing carbon offsets through the Community Carbon Marketplace, an initiative of the Cowichan Energy Alternatives Society, which helps grow the local low-carbon economy. Ongoing steps to reduce the Islands Trust's operational carbon footprint include:
   - Encouraging trustees and staff to share vehicles and use the Victoria and Nanaimo Car Share Programs;
   - Using paperless meeting management software to reduce paper consumption; and,
   - Conducting meetings over the web rather than travelling to meetings.
2) Local trust committees continue to explore innovative ways of using new planning tools (Bill 27) to implement Official Community Plan policies that would reduce greenhouse gas emissions. Salt Spring Island Local Trust Committee also amended its meeting procedure to allow electronic meetings, thereby reducing travel.
3) The Trust Fund Board continues to protect land with high carbon storage and is completing Eelgrass mapping, which will facilitate better protection of this essential ocean-based carbon sink. Detailed information is contained in our Climate Action Revenue Incentive Public Report for 2013 located on our website. *(Strategic Plan 1.6.2)*

7. Administrative Fairness

Islands Trust policy requires the reporting of the number of administrative fairness complaints received each year. There was one complaint in 2013-2014 regarding staff and local trust committee procedures. The complaint was handled according to the Islands Trust Council's policy. Complainants who are unsatisfied with the outcome of the Islands Trust's complaint handling procedure are advised of the option of making a complaint to the BC Office of the Ombudsperson. In 2013-2014, the Office of the Ombudsperson did not receive any complaints about the Islands Trust.

8. Legal Action

In accordance with Islands Trust policies, enforcement actions are primarily triggered when the Islands Trust receives complaints from community members that indicate that individuals or corporations are not complying with the land use regulations that their locally-elected representatives have adopted. Efforts are then made to investigate complaints, educate violators and obtain voluntary compliance with a community's bylaws. In most cases, violators have a variety of options, including ceasing or amending their operations, or applying for variances or required permits.

Islands Trust staff estimate that more than 90% of its bylaw investigation files are resolved before legal action is required. Legal action is only taken after other avenues to achieve compliance have failed. Local trust committees may request legal action if other avenues for achieving bylaw compliance fail. The Executive Committee considers and is responsible for approving the funding of any legal action requested by a local trust committee.

The following are highlights of court decisions received in cases initiated by local trust committees during 2013-2014:

Denman Island's Bylaw for Komas Bluff

In December 2013, the BC Court of Appeal was unanimous in dismissing an appeal of a decision of the Supreme Court of BC, thereby continuing to uphold the Denman Island bylaw that regulates development on the Komas Bluff. The decision relates to construction and land alterations on the face, at the crest and on the plateau above the bluff.

The Komas Bluff Development Permit Area requires geotechnical studies before activities such as tree-cutting and building construction can take place. In areas of BC that are subject to natural hazards, development permits are

one of the primary mechanisms that local governments use to protect structures from flooding, mudflows, erosion, land slip, rock falls, avalanche and wildfire. While development is allowed, it must be done pursuant to permit conditions to reduce the risks associated with natural hazards. This normally happens as a matter of course. Legal action is very unusual, but this one property has now been the subject of three court cases. The Appeal Court confirmed the decisions made by previous courts.

Salt Spring Island Metal Recycling

This long-standing issue dates back to 2006 when neighbours first complained to the Islands Trust's bylaw enforcement office that the operations of Salt Spring Metal Recycling do not comply with the rural zoning that has been in place on the property since 1971.

Over the years the Salt Spring Island Local Trust Committee asked staff to help the business owner find a solution. Islands Trust planning staff proposed a range of solutions with no action taken. Faced with no voluntary compliance with the bylaw and on-going complaints from neighbours, the Salt Spring Island Local Trust Committee initiated legal action in November 2008.

The owner and operator of the business agreed to a Court Order by consent on September 25, 2013 in the Supreme Court of British Columbia to stop crushing metal on his Rainbow Road property and to apply to the Salt Spring Island Local Trust Committee for a Temporary Use Permit by October 30, 2013.

Pentlatch Seafoods Ltd.

The Denman Island Local Trust Committee has decided not to proceed with bylaw enforcement actions regarding Pentlatch Seafoods Ltd.'s aquaculture operations near Denman Island. The local trust committee has written to K'ómoks First Nation, which owns Pentlatch Seafoods Ltd., acknowledging that the outcome of treaty negotiations may affect its zoning authority in the area.

In April 2013, the K'ómoks First Nation, through its wholly owned company Pentlatch Seafoods Ltd., established aquaculture infrastructure at Henry Bay, contrary to Denman Island's zoning regulations, which identify the area for marine conservation. Pentlatch Seafoods Ltd. had previously obtained the necessary licenses and permits from provincial and federal government agencies.

In July 2013, in response to complaints from Denman Islanders about zoning violations, an Islands Trust bylaw enforcement officer wrote to Pentlatch Seafoods Ltd. advising them that the operation was not permitted in the W1 zone and requiring the removal of the "aquaculture infrastructure." In October 2013, the chief councillor of the K'ómoks First Nation advised the Denman Island Local Trust Committee that it was asserting its aboriginal rights and title through Pentlatch Seafoods Ltd.'s aquaculture operations in Henry Bay.

Islands Trust

Preserving Island communities, culture and environment

Our Provincial Mandate

"to preserve and protect the trust area and its unique amenities and environment for the benefit of the residents of the trust area and of British Columbia generally, in cooperation with municipalities, regional districts, improvement districts, other persons and organizations and the government of British Columbia"

– Islands Trust Act

Islands Trust Council — Strategic Plan 2011-2014

Adopted September 12, 2012 –Status Updated – *February 18, 2014*

The Trust Area

The Trust Area covers the islands and waters between the British Columbia mainland and southern Vancouver Island, including Howe Sound and as far north as Comox. This is a unique and special place composed of 13 major islands and more than 450 smaller islands covering approximately 5200 square kilometres.

The beauty, tranquility, and sometimes fragile natural environment of the islands in the Strait of Georgia and Howe Sound, characterized by an exceptional variety of species, have given the area national recognition.

The islands support strong communities characterized by a mix of lifestyles, livelihoods and individuals. Island residents bring unique skills, viewpoints and sense of place together to sustain a tradition of community involvement.

Our Council

The Islands Trust Council has a unique mandate from the province to preserve and protect the amenities and environment of the Islands Trust Area, for the benefit of residents and all British Columbians. It meets quarterly to make decisions about the Islands Trust's overall policy, advocacy positions, staff resources and budget. Trust Council is made up of the 26 locally-elected trustees who also sit on 12 local trust committees and one island municipality. There they have responsibilities for land use planning and regulatory decisions that are separate from their role at the Islands Trust Council. The current Council was elected for a 3-year term during BC Local General Elections in November 2011. Trustee terms will end in November 2014.

A Strategic Plan for the 2011-2014 term

The Islands Trust Policy Statement is partially implemented through Council's strategic plan. By identifying goals and developing a plan to achieve them, Council focuses finite resources and measures progress. After extensive review and public input, Trust Council has confirmed the following focus areas for its 2011-2014 term:

Goal A - Ecosystem Preservation and Protection

The Islands Trust will work to protect the natural environment of islands by:

- Encouraging and enabling islanders in voluntary stewardship actions that protect special areas, including the shoreline
- Working to protect fish habitat under BC's *Riparian Areas Regulation*
- Protecting special ecosystems, managing shoreline areas and reducing greenhouse gas emissions when land use decisions are made
- Advocating for new approaches to oil spill preparedness, derelict vessels, industrial developments, aquaculture, marine sewage and national marine conservation

Goal B – Stewardship of Island Resources

The Islands Trust will focus on good management of island water resources by:

- Encouraging voluntary stewardship, advocating for legislative reform and exploring creative solutions for watershed management
- Using land use planning tools and decisions to protect the quality and quantity of water resources

Goal C – Sustain Island Character and Healthy Communities

The Islands Trust will work to enhance the economic sustainability and security of island communities by:

- Creating linkages between islanders and regional districts to share effective economic development models
- Continuing to advocate for sustainable, affordable and appropriate ferry services
- Using land use planning tools and decisions to positively affect housing, food security , farmland protection, and socio-economic diversity.

Goal D – In Cooperation with Others

The Islands Trust will work with others by:

- Strengthening relations with the many First Nations who have interests in the Islands Trust Area, through improved liaison at the political level and communications about marine advocacy.
- Continually working to improve our organizational effectiveness

Shaded text=activities primarily achieved in *the current* or prior fiscal years or proposed for future fiscal years and subject to future budget decisions;
Italics – status updates since last Trust Council meeting

NOTE: Status column has now been colour coded to provide a quick visual indicator, as follows:

	Not due to start or awaiting actions of others
	Completed
	In Progress - On Target
	Partially In Progress - Partially On Target (i.e. on target, by one or few LTCs)
	In progress - Behind Target (e.g. not funded, delayed by other priorities, etc.)
	Not started - Behind target

Policy Statement Goal A: Ecosystem Preservation and Protection...

OBJECTIVE	STRATEGIES	ACTIVITIES AND PHASES	WHO WOULD WORK ON IT?	IS FUNDING REQUIRED OR IN PLACE?	HOW WOULD WE MEASURE SUCCESS?	STATUS ++
1 PROTECT the natural environment of islands	**1.1 Encourage voluntary stewardship of natural environment**	**FY 2011/12- 2014/15** 1.1.1 Promote community participation in conservation through information sharing and education about private land stewardship options	TFB	Subject to funding in annual budgets or grant funding	By whether the Islands Trust Fund is actively promoting its conservation programs at community events, in publications and online	Ongoing
		FY 2012/13 – 2013/14 1.1.2 Share information about best practices for covenants and NAPTEP with all planning staff	TFB	Funded by base budget	By whether planners have been provided with covenant education opportunities and whether information is available through the Islands Trust Fund website	Website information complete *NAPTEP info shared;* ITF presentation to LPS not started
		FY 2012/13 – 2014/15 1.1.3 Improve and update mapping of natural and modified environments, including terrestrial ecosystem mapping, protected area networks, nearshore mapping and areas under sustainable forestry or sustainable agricultural use.	TFB	Funded by program budget in 2013/14 $22K for eelgrass mapping; $10K for forage fish mapping Further work subject to 2014/15 budget *$25K* for eelgrass mapping	By whether maps of natural and modified environments are available to LTC's and BIM, RDs, local conservancies and other partners	Draft Protected Area Network mapping available; eelgrass mapping completed for Gambier, Thetis, Thetis associated islands, Lasqueti, North Pender, South Pender, Mayne *Ballenas-Winchelsea, Bowen, Denman, Gabriola, Galiano, Gambier Associated Islands (excluding Thormanbies), and Hornby*. Forage fish habitat mapping completed for North and South Pender; *Denman, Hornby and Thetis near complete.*
		FY 2013/14-2014/15 1.1.4 Research and develop a pilot landowner contact program in collaboration with a local	TFB	Subject to external funding	By whether a landowner contact pilot program is implemented	Planning in progress

OBJECTIVE	STRATEGIES	ACTIVITIES AND PHASES	WHO WOULD WORK ON IT?	IS FUNDING REQUIRED OR IN PLACE?	HOW WOULD WE MEASURE SUCCESS?	STATUS ++
		conservancy				
		FY 2011/12 - 2014/15 1.1.5 Support island-based land trusts with partnerships, funding and capacity building opportunities	TFB	Funded by base budget and donations	By whether the Opportunity Fund grows by at least 10% per year and by the amount of grants issued	Recent grants awarded to Pender Island Conservancy ($5,000), Salt Spring Island Conservancy ($5,000) and Mayne Island Conservancy ($3450)
		FY 2013/14 1.1.6 Council workshop regarding invasive species	TFB	Funded by base budget	By whether a Trust Council workshop has been held	Complete
		FY 2013/14 – 2014/15 1.1.7 Share information with the public about managing invasive species	TFB	*Funded by base budget*	By whether information has been shared with the public	Complete
	1.2 Expand Natural Areas Protection Tax Exemption Program (NAPTEP) program to entire Islands Trust Area	FY 2012/13 1.2.1 Present NAPTEP program to BIM Council for consideration	TFB / BIM***	Funded by base budget	By whether or not BIM has considered participating in the NAPTEP program	Complete. BIM declined for current term
		FY 2013/14 1.2.2 Seek support from Metro Vancouver RD for NAPTEP.	TFB	Funded by base budget	By whether support from Metro Vancouver RD (MVRD) has been sought	Complete
		FY 2013/14 - 2014/15 1.2.3 Launch NAPTEP on the islands in MVRDRD (subject to BIM and MVRD approval)	TFB	Funded by base budget	By whether NAPTEP has been launched on the islands within the MVRD	Complete. Program launched on Gambier LTC islands. BIM declined for current term.
	1.3 Protect fish habitat by implementing Riparian Areas Regulation	**PHASE 1 – Identify watersheds** **FY 2013-14 - 2014/15** 1.3.1 Identify RAR watersheds on Gambier, Hornby and Lasqueti	LTCs**	Subject to budget	By whether all RAR watersheds on Gambier, Hornby and Lasqueti have been identified	*Mapping complete* for Hornby
		PHASE 2 – Improve mapping FY 2012/13 1.3.2 Improve mapping of some riparian areas on SSI	LTCs**	Funded by 2012/13 program budget	By whether new mapping of priority riparian areas is complete	Complete
		FY 2013/14 1.3.3 Improve mapping of additional riparian areas on Denman, Hornby and all remaining riparian areas on Salt Spring islands	LTCs**	Funded in 2013/14 program budget $71,000 RAR budget $30,000 Sci/Tech budget	By whether new mapping of riparian areas is complete	*Mapping complete* for Denman, Hornby. *Peer review planned* for SSI for all known RAR watersheds
		FY 2014/15 1.3.4 Improve mapping of additional riparian areas in Gambier LTA	LTCs**	Subject to 2014/15 program budget ($30,000 mapping on Gambier)	By whether new mapping of riparian areas is complete	*Not due* Not started

OBJECTIVE	STRATEGIES	ACTIVITIES AND PHASES	WHO WOULD WORK ON IT?	IS FUNDING REQUIRED OR IN PLACE?	HOW WOULD WE MEASURE SUCCESS?	STATUS ++
		PHASE 3 – Adopt bylaws FY 2012/13 - 2013/14 1.3.5 Adopt new bylaws to implement RAR on selected islands (Gabriola, Lasqueti, Mayne, Saturna, Thetis)	LTCs**	Funded by 2013/14 program budget	By whether Gabriola, Lasqueti, Mayne Saturna and Thetis are RAR compliant through bylaw development	Saturna complete. *Gabriola public hearing scheduled for Mar/14.* Lasqueti & Thetis in progress. Mayne resolved to not proceed with adoption of bylaws
		FY 2014/15 1.3.6 Adopt new bylaws to implement RAR on all islands where still required (Ballenas/Winchelsea, Denman, Hornby, and Salt Spring)	LTCs**	Subject to 2014/15 program budget ($17,500)	By whether Ballenas/Winchelsea, Denman, Hornby and Salt Spring are compliant with RAR through bylaw development	Not due Not started
		FY 2015/16 - ? 1.3.7 Adopt new bylaws to implement RAR on all Lasqueti and Gambier watersheds	LTCs**	Subject to 2015/16 program budget	By whether all Gambier and Lasqueti watersheds are compliant with RAR through bylaw development	Not due Not started
	1.4 Establish reliable, adequate and sustainable funding for the Islands Trust Fund	**FY 2012/13 – 2014/15** 1.4.1 Seek legislative change regarding TFB corporate structure and name	EC / TFB	Funded by base budget	By whether legislative change has been requested	Chair correspondence sent Nov/12. Initial response received Feb/13. Further meeting sought
		FY 2011/12 – 2014/15 1.4.2 Engage in outreach to expand donor base, develop legacy giving program and secure acquisition funds	TFB*	Partially funded through 2012/13 program budget	By whether the TFB has implemented outreach regarding funding needs and legacy gifts	Information package re Planned Giving distributed to estate planners
		FY 2014/15 1.4.3 Develop and implement strategy re changes to corporate structure and name	TFB	Subject to 2014/15 program budget	By whether TFB corporate status and name change has been implemented	Not started. Not due unless province makes legislative changes
		FY 2015/16 1.4.4 Review and launch long-term funding strategy	TFB	Subject to 2015/16 program budget	By whether the long-term funding strategy has been reviewed and launched	Not started. Not due unless province makes legislative changes
	1.5 Establish core conservation areas to protect biodiversity priorities	**FY 2011/12- 2013/14** 1.5.1 Map and prioritize high biodiversity areas and develop a strategy for protection	TFB	Funded by base budget	By whether the TFB has a prioritized high biodiversity areas, and developed a strategy including a funding needs assessment)	Mapping finalized; *strategy in development*
		FY 2011/12 – 2014/15 1.5.2 Protect land with high biodiversity, through acquisition, donation, or conservation covenant	TFB*	Partial funding through base budget; acquisitions funded by donations and external grants	By whether the TFB has protected at least 500 hectares of high biodiversity land in the timeframe of the Regional Conservation Plan 2011-2015	*133* hectares protected since 2011
		1.5.3 Participate in Coastal Douglas Fir and Association	*LTCs***	*Funded by base budget*	*By whether one LTC is actively participating*	*Galiano LTC participating*

OBJECTIVE	STRATEGIES	ACTIVITIES AND PHASES	WHO WOULD WORK ON IT?	IS FUNDING REQUIRED OR IN PLACE?	HOW WOULD WE MEASURE SUCCESS?	STATUS ++
		Ecosystem Conservation Partnership				
	1.6 Reduce greenhouse gas emissions	**FY 2012/13 - 2014/15** 1.6.1 Use new planning tools (Bill 27) to reduce greenhouse gas emissions to implement OCP policies LTCs adopted last term (e.g. as illustrated in Council toolkit Reducing Greenhouse Gases in the Islands Trust Area)	LTCs**/BIM***	Funded in 2013/14 annual budget	By whether LTCs/BIM have used new planning tools to foster reduced GHG emissions from development	Gabriola *has bylaw drafted and is in consultation phase to* implement OCP policies
		FY 2012/13 – 2013/14 1.6.2 Develop policy regarding carbon-neutral operations and purchase of carbon credits to balance GHG emissions that cannot be eliminated	FPC	Funded by base budget	By whether Trust Council has adopted a policy	Complete
		FY 2013/14 - 2014/15 1.6.3 Develop a Renewable Energy Tool Kit	LPC	Funded by base budget	By whether elements of a Renewable Energy Tool Kit have been developed	Two reports complete: (Domestic Small Scale Wind Energy and Ocean Based Geo-Exchange)
2. PROTECT coastal and marine ecosystems	**2.1 Encourage understanding of shoreline processes and voluntary stewardship of coastal and marine ecosystems**	FY 2012/13 2.1.1 Develop integrated shoreline and watershed protection mapping for major islands	LPC	Funded by external grants	By whether integrated shoreline and watershed protection mapping has been developed for major islands	Complete
		FY 2013/14 2.1.2 Identify and post updated website links regarding existing shoreline stewardship information	TAS	Funded by base budget	By whether website links have been updated	Complete
		FY 2013/14 - 2014/15 2.1.3. Pilot a Green Shores for Homes credit rating incentive system in one LTA	LTCs** LPC	Funded by base budget and grant funds	By whether an LTC has piloted a Green Shores for Homes credit rating incentive system	*Pilot underway on Thetis with LPC support.*
	2.2 Participate in planning for National Marine Conservation Area Reserve	**FY 2011/12 – 2013/14** 2.2.1 Advocate for implementation of the NMCA reserve	EC	Funded by base budget	By whether the EC has continued to actively advocate for implementation of the NMCA reserve	Resolution supported by TC in Dec 2012 Feb 2013 Chair letters to Ministers Lake & Kent
		2.2.2 Participate in NMCA workshops and consultation opportunities	LTCs ** TAS EC	Funded by base budget	By level of participation in NMCA workshops and consultation opportunities	*Complete. No further LTC input needed at this time*
		Future fiscal years (TBD) 2.2.3 Respond to NMCA implementation steps with complementary activities, as required	LTCs**	May require additional funds	TBD	Not due Not started

OBJECTIVE	STRATEGIES	ACTIVITIES AND PHASES	WHO WOULD WORK ON IT?	IS FUNDING REQUIRED OR IN PLACE?	HOW WOULD WE MEASURE SUCCESS?	STATUS ++
	2.3 Advocate for protection of the Salish Sea and Howe Sound from oil spills, derelict vessels and industrial activities	**FY 2011/12 – 2014/15** 2.3.1 Chair correspondence regarding oil spill prevention and response	EC	Funded by base budget	By whether the Chair has sent correspondence to advocate for oil spill prevention and response	2011: 7 letters sent 2012:1 letters sent 2013: 3 letters sent Related resolutions passed at UBCM 2012 and AVICC 2013 conventions
		2.3.2 Chair participation through a 'letter of comment' to hearings related to Kinder Morgan tanker traffic	EC	Funded by base budget	By whether the Chair has sent a letter of comment regarding the Kinder Morgan pipeline proposal	*Application to Participate as a commenter complete*
		2.3.3 Chair participation in *oral* hearings related to tanker traffic increases	EC	Letter of comment would be funded by base budget	By whether the Chair has participated in *oral* hearings *(i.e. Enbridge)* related to tanker traffic increase	Complete
		2.3.4 Host local government workshops to raise awareness of gaps in oil spill prevention and response capacity	EC	Funded by base budget	By whether workshops have been held	One workshop held at AVICC. Jan 2013 Chair presentation to Regional District Nanaimo Board. 2013: Chair presentation at San Juan County marine managers workshop
		2.3.5 Participate in mock oil spill exercises to understand gaps in oil spill response capacity	EC	Funded by base budget	By whether participation has taken place	Complete Participation in two exercises in 2012
		FY 2011/12 – 2014/15 2.3.6 Continue to advocate for senior government solutions to derelict vessels	EC	Funded by base budget	By whether the Islands Trust has continued to advocate for derelict vessel solutions	Islands Trust participation on derelict vessel working group is on-going. Mar/13 Letter to minister seeking action on Transport Canada report Sept/13 Organized resolution, clinic and meeting with Minister at UBCM Sept and Nov/13 Chair correspondence. *Trustees invited to contribute to federal inventory*
		FY 2011/12 – 2013/14 2.3.7 Advocate regarding potential impacts of the proposed Raven Coal Mine upon Baynes Sound	EC	Funded by base budget	By whether the Executive Committee has advocated regarding the proposed Raven Coal Mine	Complete May/13 BC EAO rejected proposal as submitted

OBJECTIVE	STRATEGIES	ACTIVITIES AND PHASES	WHO WOULD WORK ON IT?	IS FUNDING REQUIRED OR IN PLACE?	HOW WOULD WE MEASURE SUCCESS?	STATUS ++
		FY 2012/13 – 2014/15 2.3.8 Advocate regarding potential impacts of the proposed Burnco Gravel Mine upon Howe Sound	EC	Funded by base budget	By whether the *Chair has written a letter to* advocate regarding the proposed Burnco Gravel Mine	Complete Chair correspondence sent (Oct/13)
		FY 2013/14 – 2014-15 2.3.9 Advocate for a comprehensive Howe Sound management plan that ensures a balance between development and protection	EC	Funded by base budget	By whether the Chair has written in support of a comprehensive Howe Sound Management Plan	Participated in a minister meeting at UBCM and community meeting. *Support letter written*. Awaiting specific request from community group. *Participated in Cumulative Impact Framework webinar*
		2.3.10 Provide ecosystem sensitivity mapping data to partners advocating for Howe Sound management plan	TAS	Funded by base budget	By whether mapping data has been offered	Complete
		FY 2013/14 – 2014/15 2.3.11 Clarify jurisdictional issues related to Islands Trust Area boundary	EC	Funded by base budget	By whether a method to clarify jurisdictional issues has been implemented	Preliminary discussion with ministry staff Initial briefing prepared for EC. *Delayed by other TC and EC priorities*
	2.4 Advocate for appropriate regulation of aquaculture	**FY 2013/14 – 2014/15** 2.4.1 Meet with regulatory agencies responsible for shellfish activities in the Islands Trust Area	EC	Funded by base budget	By whether staff and the Executive Committee has met with regulatory agencies regarding shellfish activities	Staff meetings held Nov-Dec/13 *Preliminary briefings and legal advice to Executive Committee and DILTC complete*
	2.5 Advocate for effective regulation of marine sewage	**FY 2011/12 – 2014/15** 2.5.1 Chair correspondence regarding marine sewage regulation	EC	Funded by base budget	By whether the Chair has written to advocate for regulation of marine sewage	Research and mapping in progress. *Staff participated in stakeholders' meeting re Saanich Inlet*

Policy Statement Goal B: Stewardship of Island Resources...

TC	STRATEGIES	ACTIVITES AND PHASES	WHO WOULD WORK ON IT?	IS FUNDING REQUIRED OR IN PLACE?	HOW WOULD WE MEASURE SUCCESS?	STATUS++
3. PROTECT quality and quantity of water resources	**3.1 Encourage understanding and voluntary stewardship of water resources**	FY 2013/14 3.1.1 Compile and web-post educational materials about water resources done by local groups	TPC	Funded by base budget	By whether educational materials have been compiled and posted.	Complete

TC	STRATEGIES	ACTIVITES AND PHASES	WHO WOULD WORK ON IT?	IS FUNDING REQUIRED OR IN PLACE?	HOW WOULD WE MEASURE SUCCESS?	STATUS++
		3.1.2 Identify gaps and make recommendations about new educational materials about water resources.	TPC	Funded by base budget	By whether gaps have been identified and recommendations about new educational materials have been made	*Island water groups asked to identify gaps in resources*
	3.2 Advocate for provincial Water Act reform	FY 2011/12 – 2013/14 3.2.1 Continue to participate in Water Sustainability Act reform consultations	EC	Funded by base budget	By whether participation in Water Sustainability Act reform has taken place	Input to Water Sustainability Act complete
	3.3 Use land use planning tools and decisions to protect water quality and quantity	FY 2013/14 3.3.1 Develop toolkit including model Development Permit Areas for use by LTCs/BIM that illustrates options for using planning tools to protect water quality and quantity	LPC	Funded by 2013/14 program budget ($2500)	By whether a toolkit has been developed	Complete
		FY 2013/14 – 2014/15 3.3.2 Amend OCPs to include new policies for water resource protection	LTCs**/BIM***	Funded in 2013/14 program budget	By whether OCPs have been amended to include new policies about water resource protection	Galiano DAI bylaw adopted - addresses water protection
		3.3.3 Amend LUBs to include new regulations aimed at protection of water quality and quantity	LTCs**/BIM***	Funded in 2013/14 program budget	By whether LUBs have been amended to include new regulations aimed at protection of water quality and quantity	Initial water reports completed on Galiano
	3.4 Explore alternative tools for improving watershed management	FY 2012-13 3.4.1. Identify options within the Islands Trust Act for coordination of watershed protection	EC	Funded by base budget	By whether options have been identified	Complete
		FY 2013-14 3.4.2 Consider pilot project for coordination of watershed protection within one LTA	LTCs**	Partially funded by base budget.	By whether a pilot project has been considered	Complete St. Mary Lake Watershed Working Group formed on SSI. June/13 - IC adopted bylaw to delegate some IC coordination and advocacy powers to SSILTC.

NOTE: Status column has now been colour coded to provide a quick visual indicator, as follows:

	Not due to start or awaiting actions of others
	Completed
	In Progress - On Target
	Partially In Progress - Partially On Target (i.e. on target, by one or few LTCs)
	In progress - Behind Target (e.g. not funded, delayed by other priorities, etc.)
	Not started - Behind target

Policy Statement Goal C: Sustain Island Character and Healthy Communities...

OBJECTIVE	STRATEGIES	ACTIVITIES AND PHASES	WHO WOULD WORK ON IT?	IS FUNDING REQUIRED OR IN PLACE?	HOW WOULD WE MEASURE SUCCESS?	STATUS++
4. ENHANCE community economic sustainability and security	4.1 Create linkages between islands and Regional Districts to share effective and appropriate economic sustainability models	FY 2013/14 4.1.1 Half day session on Trust Area economic sustainability at Dec 2013 Council in Victoria, inviting all EA reps	TPC	Funded by base budget	By whether a joint session has occurred	Complete
	4.2 Advocate for sustainable, affordable and appropriate ferry service	FY 2013/14 4.2.1 Develop and implement research program in support of advocacy program	TPC	Funded in 2013/14 program budget ($20,000)	By whether a research program has been developed and implemented	*Freedom of Information request complete*
		FY 2011/12 – 2014/15 4.2.2 Continue advocacy program regarding ferry fares and service.	EC	Funded by base budget	By whether advocacy actions have been taken in regards to ferry fares and service	Submissions sent to Transportation Ministers Chair meetings with Premier, Transportation Ministers, opposition critics and ferry commissioner. *Fiscal Fairness campaign supported. Chair participating in UBCM sub-committee*
	4.3 Use land use planning tools and decisions to improve the availability of affordable, accessible, appropriate housing (as described in	**FY 2011/12 – 2014/15** 4.3.1 Amend OCPs to include affordable housing policies	LTCs**/BIM***	Funded in 2013/14 program budgets	By whether OCPs have been amended to include new affordable housing policies	Hornby and Saturna considering OCP amendments. *SSI bylaw in progress* to allow secondary suites and/or temporary portable homes.

OBJECTIVE	STRATEGIES	ACTIVITIES AND PHASES	WHO WOULD WORK ON IT?	IS FUNDING REQUIRED OR IN PLACE?	HOW WOULD WE MEASURE SUCCESS?	STATUS++
	Trust Council's toolkit, Community Housing Toolkit)	4.3.2 Amend LUBs to improve availability of affordable housing	LTCs**/BIM***	Funded in 2013/14 program budgets	By whether LUBs have been amended to improve availability of affordable housing	SSI LUB amended to legalize secondary suites in some locations. Galiano, Mayne and N. Pender considering affordable/senior housing applications. Denman, *Mayne* and Saturna considering or drafting bylaw to allow secondary suites and/or dwelling units. *SSI consulting with CRD re housing agreements.*
	4.4 Use land use planning tools and decisions to increase local food security and farmland protection (as described in Trust Council's 2010 report, Exploring Food Security in the Trust Area)	**FY 2012/13 – 2014/15** 4.4.1 Amend OCPs to include food security and farmland protection policies	LTCs**/BIM***	Funded in 2013/14 program budgets	By whether OCPs have been amended to address food security and farmland protection	*Gabriola OCP amendment drafted. Public consultation underway*
		4.4.2 Amend LUBs to improve food security	LTCs**/BIM***	Funded in 2013/14 program budgets	By whether LUBs have been amended to improve food security	*Gabriola LUB amendment drafted. Public consultation underway*
	4.5 Use land use planning tools to promote socio-economic diversity	**FY 2013/14 – 2014/15** 4.5.1 Amend LUB to ensure an appropriate supply of land zoned for emerging industrial and commercial needs in one LTA	LTCs**	Funded in 2013/14 program budget for one LTC (SSI) Funded requested in 2014/15 budget	By whether one LUB has been amended to ensure an appropriate supply of land zoned for emerging industrial and commercial needs	*Recommendations from SSI Industrial APC due March/14, including LUB amendments*
		4.5.2 Undertake background analysis regarding improved planning for Ganges Village, including Ganges Harbour	LTCs**	Funded in 2013/14 program budget for one LTC (SSI) Funded requested in 2014/15 budget	By whether background analysis work is proceeded	*Project charter and illustrative designs in preparation*

NOTE: Status column has now been colour coded to provide a quick visual indicator, as follows

	Not due to start or awaiting actions of others
	Completed
	In Progress - On Target
	Partially In Progress - Partially On Target (i.e. on target, by one or few LTCs)
	In progress - Behind Target (e.g. not funded, delayed by other priorities, etc.)
	Not started – Behind target

Goal D: In cooperation with others...

OBJECTIVE	STRATEGIES	ACTIVITIES AND PHASES	WHO WOULD WORK ON IT?		IS FUNDING REQUIRED OR IN PLACE?	HOW WOULD WE MEASURE SUCCESS?	STATUS++
5. STRENGTHEN relations with First Nations	**5.1 Improve engagement with First Nations**	**FY 2011/12 – 2014/15** 5.1.1 Reallocate resources to enable adoption of a First Nations Engagement Strategy	TAS	LPS	Funded by 2011/12 program budget	By whether Trust Council has reallocated resources to enable adoption of a First Nations Engagement Strategy	*Resources not included in proposed budget*
		FY 2012/13 5.1.2 Trustee workshop on working with aboriginal peoples	EC		Funded by 2012/13 program budget	By whether a trustee workshop has been held	Complete
		FY 2013/14 5.1.3 Identify resource needs for improved FN engagement	EC		Funded by base budget	By whether the resource needs for improved engagement have been identified	Complete Resources not included in proposed budget
		FY 2013/14-2014/15 5.1.4 Implement First Nations liaison improvements at an informal political level	LTCs		Funded by base budget	By the number of meetings trustees have attended to improve liaison with First Nations level	Ballenas-Winchelsea LTC has added a work program item to improve engagement with Nanoose FN. DILTC and staff *discussions held with Komoks FN. Chair liaison on-going.*
6. IMPROVE organizational cost and operational effectiveness	**6.1 Confirm a fair distribution of Islands Trust Services to Bowen Island Municipality**	FY 2012/13 6.1.1 Review and amend Policy 7.2.vi (Municipal Requisition Cost Allocations)	FPC		Funded by base budget	By whether Policy 7.2.vi has been amended	Complete
		FY 2012/13 – 2014/15 6.1.2 Identify Bowen Island Municipality needs for services provided by Trust Area Services unit	TAS		Funded by base budget	By whether BIM needs for TAS services have been identified	Initial discussion held Sep/12. Chair follow up sent Oct/12 and Jan/13 Awaiting BIM response
		6.1.3 Identify improved opportunities for BIM to access services provided through Trust Area Services unit	TAS		Funded by base budget	By whether opportunities for BIM to access TAS services have been identified	Pending requests from BIM Staff follow up e-mail to CAO sent Jan/13

OBJECTIVE	STRATEGIES	ACTIVITIES AND PHASES	WHO WOULD WORK ON IT?	IS FUNDING REQUIRED OR IN PLACE?	HOW WOULD WE MEASURE SUCCESS?	STATUS++
						Awaiting BIM response
		6.1.4 Review budget lines to ensure accurate allocation of costs	FPC	Funded by base budget	By whether budget lines have been reviewed	Complete. Municipal Requisition policy amended Dec/13
		FY 2013/14 6.1.5 Provide additional TAS services to BIM	TAS	Funded by base budget	By whether BIM is accessing additional TAS services as identified	Improved notice of IT items to BIM. Pending requests from BIM. BIM staff invited to training opportunities.
	6.3 Prepare Island Trust organization to adapt to the potential incorporation of Salt Spring Island (if province advances a provincial restructure study for SSI)	**FY 2013/14** 6.3.1 Provide input into provincial study that assesses impact on Islands Trust of the potential incorporation of Salt Spring Island and identifies alternative adaptation strategies	EC	Funded and managed by province	By whether input has been provided	In progress. Input into study terms of reference complete. Response to initial info requests from consultant complete. *Pending further action from province*
		FY 2014/15 – ? 6.3.2 Consider options and adopt an adaptation strategy, for Islands Trust to implement in the event of municipal incorporation of Salt Spring Island	FPC EC	Subject to future budgets	By whether options for an adaptation strategy have been considered and a preferred strategy adopted by Trust Council.	Not started. Not due unless a SSI restructure study is launched and is nearing completion
		FY 2015/16(?) - ? 6.3.3 Implement adopted adaptation strategy	EC	Subject to future budgets	By whether an strategy has been implemented to adapt to incorporation of SSI	Not started Not due unless SSI community passes a referendum to incorporate as a municipality
		FY 2014/15(?) 6.3.4 Review existing IT-MCSCD protocol agreement regarding incorporation of municipalities in the Islands Trust Area	EC	Funded by base budget	By whether the protocol agreement with the ministry has been reviewed and amended	Not started Not due unless a SSI restructure study is launched
	6.4 Review service delivery regarding application processing	FY 2014/15 6.4.1 Consider development and use of a quality	LTC**	Funded by base budget	By whether a quality management system has been considered by the SSILTC for	Not started Not due

OBJECTIVE	STRATEGIES	ACTIVITIES AND PHASES	WHO WOULD WORK ON IT?	IS FUNDING REQUIRED OR IN PLACE?	HOW WOULD WE MEASURE SUCCESS?	STATUS++
		management system pilot on Salt Spring Island for processing of development applications			one type of application process	

* subject to decisions of Trust Fund Board **subject to decisions of local trust committees ***subject to decisions of Bowen Island Municipality

Abbreviations:
AVICC – Assoc. of Vancouver Island Coastal Communities
BIM – Bowen Island Municipality
EC – Executive Committee
FN – First Nations
FPC – Financial Planning Committee
FY – Fiscal Year
IT – Islands Trust
ITF – Islands Trust Fund
ITPS – Islands Trust Policy Statement
LGA – Local Government Act
LPC – Local Planning Committee
LPS – Local Planning Services
LTA – Local Trust Area
LTC – Local Trust Committee
LUB – Land Use Bylaw
MCSCD – Ministry of Community, Sport and Cultural Development
MVRD – Metro Vancouver Regional District
NA – Not Applicable
NEB – National Energy Board
NAPTEP – Natural Area Protection Tax Exemption Program
NMCA –National Marine Conservation Area
OCP – Official Community Plan
ProD – Professional Development
RAR – Riparian Areas Regulation
RD – Regional District
RFD – Request for Decision
SSI – Salt Spring Island
TAS – Trust Area Services
TBD – To Be Determined
TC – Trust Council
TFB – Trust Fund Board
TPC–Trust Programs Committee
UBCM – Union of BC Municipalities

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www.islandstrust.bc.ca

Colour Key for Middle Column:

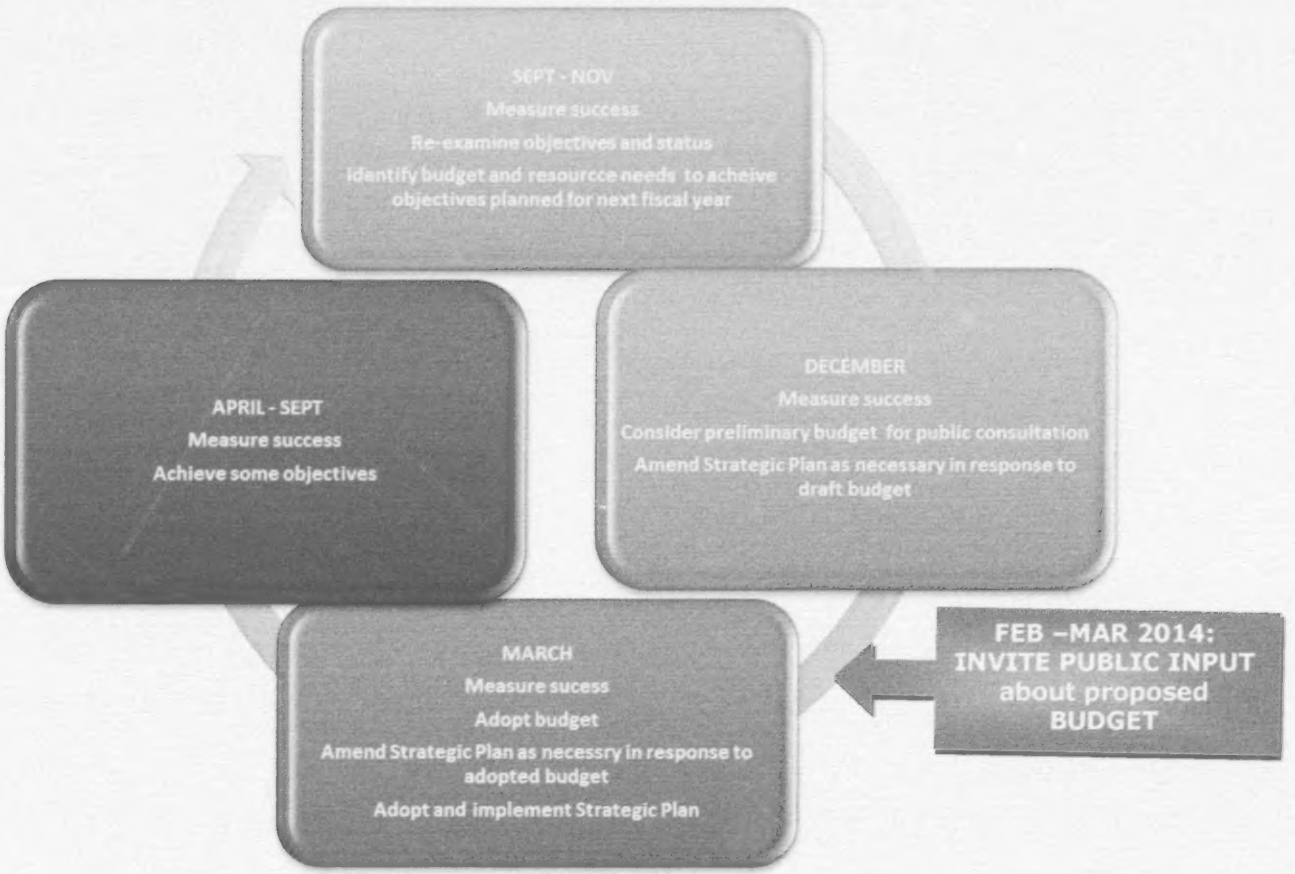
Colour	Potential committee/unit/body taking lead for a potential strategy
	Local Planning (through Local Planning Committee, Local Planning Services staff, Local Trust Committees or Bowen Island Municipality)
	Trust Programs Committee or Trust Area Services staff
	Executive Committee
	Trust Fund Board or Islands Trust Fund staff
	Financial Planning Committee

++ Colour Key for Status Column:

Colour	Status Description
	Not due to start or awaiting actions of others
	Completed
	In Progress – On Target
	Partially In Progress – Partially On Target (i.e. on target, by one or few LTCs)
	In progress - Behind target (e.g. not funded, delayed by other priorities, etc.)
	Not started – Behind target

Islands Trust

Summary of Strategic Planning Process



Financial Statements of

ISLANDS TRUST

Year ended March 31, 2014

ISLANDS TRUST

Financial Statements

Year ended March 31, 2014

Financial Statements

Management's Responsibility for the Financial Statements	1
Independent Auditors' Report	2
Statement of Financial Position	3
Statement of Operations	4
Statement of Change in Net Financial Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of Islands Trust (the "Trust") are the responsibility of the Trust's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting standards for local governments as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Trust's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

The Trust, acting through its Audit Committee, meets with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by KPMG LLP, independent external auditors appointed by Trust Council. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Trust's financial statements.

Chief Administrative Officer

Treasurer

KPMG LLP
Chartered Accountants
St. Andrew's Square II
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Victoria BC V8W 3Y7
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INDEPENDENT AUDITORS' REPORT

To the Trustees of Islands Trust and the Minister of Community, Sport and Cultural Development

We have audited the accompanying financial statements of Islands Trust, which comprise the statement of financial position as at March 31, 2014, the statements of operations, change in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Islands Trust as at March 31, 2014, and its remeasurement gains and losses, its results of operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Accountants

June 19, 2014
Victoria, Canada

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KPMG Canada provides services to KPMG LLP.

ISLANDS TRUST

Statement of Financial Position

March 31, 2014, with comparative information for 2013

	2014	2013
Financial assets:		
Cash and cash equivalents (note 2)	$ 3,696,156	$ 3,702,155
Accounts receivable	55,271	88,562
	3,751,427	3,790,717
Liabilities:		
Wages and benefits payable	985,269	950,174
Accounts payable and accrued liabilities	295,217	383,501
Deferred revenue	53,981	55,714
Employee benefit obligations (note 3)	94,538	99,130
Obligations under capital leases (note 4)	55,265	43,481
Cost recovery deposits (note 11(ii))	9,675	15,110
	1,493,945	1,547,110
Net financial assets	2,257,482	2,243,607
Non-financial assets:		
Tangible capital assets (note 5)	115,322	124,979
Prepaid expenses	52,273	35,137
	167,595	160,116
Commitments (note 9)		
Contingent liabilities (note 10)		
Accumulated surplus (note 6)	$ 2,425,077	$ 2,403,723

The accompanying notes are an integral part of these financial statements.

On behalf of the Trust Council:

Trustee

Trustee

ISLANDS TRUST

Statement of Operations

Year ended March 31, 2014, with comparative information for 2013

	Budget (note 7)	2014	2013
Revenue:			
Property tax - general	$ 6,066,025	$ 6,066,025	$ 5,929,199
Property tax levy - Bowen Island Municipality	225,170	225,170	165,374
Provincial grant - operating	85,184	85,184	186,998
Fees and sales	110,000	103,604	110,465
Interest income	95,000	40,196	105,791
Other income	60,000	2,089	52,501
Total revenue	6,641,379	6,522,268	6,550,328
Expenses (note 8):			
Council services	1,123,808	997,420	978,323
Local trust committee services	5,135,200	4,879,667	4,753,668
Trust fund services	693,184	623,827	615,270
Total expenses	6,952,192	6,500,914	6,347,261
Annual surplus (deficit)	(310,813)	21,354	203,067
Accumulated surplus, beginning of year	2,403,723	2,403,723	2,200,656
Accumulated surplus, end of year	$ 2,092,910	$ 2,425,077	$ 2,403,723

The accompanying notes are an integral part of these financial statements.

ISLANDS TRUST

Statement of Change in Net Financial Assets

Year ended March 31, 2014, with comparative information for 2013

	Budget (note 7)	2014	2013
Annual surplus (deficit)	$ (310,813)	$ 21,354	$ 203,067
Acquisition of tangible capital assets	-	(18,550)	(52,429)
Acquisition of tangible capital assets through capital lease	-	(39,754)	(7,579)
Amortization of tangible capital assets	55,000	59,312	70,187
Loss on disposal of capital assets	-	8,649	-
	(255,813)	31,011	213,246
Acquisition of prepaid expenses	-	(17,136)	(4,302)
Change in net financial assets	(255,813)	13,875	208,944
Net financial assets, beginning of year	2,243,607	2,243,607	2,034,663
Net financial assets, end of year	$ 1,987,794	$ 2,257,482	$ 2,243,607

The accompanying notes are an integral part of these financial statements.

ISLANDS TRUST

Statement of Cash Flows

Year ended March 31, 2014, with comparative information for 2013

	2014	2013
Cash provided by (used in):		
Operating activities:		
Annual surplus	$ 21,354	$ 203,067
Items not involving cash:		
Amortization of tangible capital assets	59,312	70,187
Loss on disposal of tangible capital assets	8,649	-
Change in non-cash operating assets and liabilities:		
Accounts receivable	33,291	16,896
Wages and benefits payable	35,095	(64,571)
Accounts payable and accrued liabilities	(88,284)	117,996
Deferred revenue	(1,733)	(32,283)
Employee benefit obligations	(4,592)	(17,446)
Cost recovery deposits	(5,435)	(14,792)
Prepaid expenses	(17,136)	(4,302)
Net change in cash from operating activities	40,521	274,752
Capital activities:		
Acquisition of tangible capital assets	(18,550)	(52,429)
Financing activities:		
Principal payments on obligations under capital leases	(27,970)	(14,812)
Change in cash and cash equivalents	(5,999)	207,511
Cash and cash equivalents, beginning of year	3,702,155	3,494,644
Cash and cash equivalents, end of year	$ 3,696,156	$ 3,702,155
Supplemental cash flow information:		
Assets acquired under capital lease	$ 39,754	$ 7,579

The accompanying notes are an integral part of these financial statements.

Islands Trust (the "Trust") is incorporated under the Islands Trust Act of British Columbia (as amended). The objectives of the Trust are to preserve and protect the Trust area and its unique amenities and environment for the benefit of the residents of the Trust area and of the Province generally.

1. Significant accounting policies:

The financial statements of Islands Trust are prepared by management in accordance with Canadian public sector accounting principles for local governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Trust are as follows:

(a) Reporting entity:

The financial statements include a combination of all the assets, liabilities, revenues, expenses, and changes in fund balances and in financial position of the trust council and the local trust committees.

The Trust occasionally conducts work on behalf of development applicants on a cost-recovery basis. These trust activities are not included in the financial statements.

(i) Consolidated entities:

The Trust does not control any significant external entities and accordingly no entities have been consolidated with the financial statements.

(ii) Funds held in trust:

The Trust administers operations of The Islands Trust Fund. The annual expenses of The Islands Trust Fund are reported by the Trust in accordance with The Islands Trust Act (note 11).

(b) Basis of accounting:

The Trust follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

1. Significant accounting policies (continued):

(c) Revenue recognition:

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made, except when and to the extent that the transfer gives rise to an obligation that meets the definition of a liability under section PS 3200 of public sector accounting standards.

1. Significant accounting policies (continued):

(c) Revenue recognition (continued):

Revenue unearned in the current period is recorded as deposits or deferred revenue.

The tax revenue is recognized on an accrual basis.

(d) Cash and cash equivalents:

Cash and cash equivalents include short-term highly liquid investments with a term to maturity of 90 days or less at acquisition. Investments in the Municipal Finance Authority of British Columbia ("MFA") Bond, Intermediate and Money Market Funds are recorded at cost plus earnings reinvested in the funds. Investment income is reported as revenue in the period earned.

(e) Employee future benefits:

The Trust and its employees make contributions to the Public Service Pension Plan, which provides benefits directly to employees upon retirement. These contributions are expensed as incurred.

A gratuity is also available to employees upon retirement. The cost of this benefit is born by the Public Service Pension Plan.

(f) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful life - years
Furniture and equipment	5
Computers	3
Leasehold improvements	lesser of remaining term of the lease and useful life

1. Significant accounting policies (continued):

(f) Non-financial assets (continued):

(i) Tangible capital assets (continued):

Amortization is charged annually, including in the year of acquisition and disposal. Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Trust's ability to provide goods and services, or when the value of future economic benefits associated with the asset are less than the book value of the asset.

(ii) Contributions of tangible capital assets:

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

(iii) Works of art and historical treasures:

Works of art and historical treasures are not recorded as assets in these financial statements.

(iv) Interest capitalization:

The Trust does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

(v) Leased tangible capital assets:

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(g) Use of estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating provisions for accrued liabilities. Actual results could differ from these estimates.

2. Cash and cash equivalents:

	2014	2013
Bank account balances	$ 457,494	$ 734,012
Municipal Finance Authority Bond Fund	861,744	2,906,135
Municipal Finance Authority Intermediate Fund	-	58,902
Municipal Finance Authority Money Market Fund	2,376,918	3,106
	$ 3,696,156	$ 3,702,155

3. Employee benefit obligations:

The Trust provides sick leave and certain other benefits to its employees and are recorded as follows:

	2014	2013
Vacation pay	$ 67,893	$ 73,488
Compensatory time off	26,645	25,642
	$ 94,538	$ 99,130

Vacation pay and compensatory time off represent the liability for accumulated banks for draw down at future dates and/or for payout on approved retirement, or upon termination or death.

Other pension plans

The Trust and its employees make contributions to the Public Service Pension Plan (the "Plan"), a jointly trusteed pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The Plan has about 56,000 active members and approximately 39,000 retired members.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and adequacy of Plan funding. The most recent valuation as at March 31, 2011 indicated an unfunded liability of $275 million for basic pension benefits. The next valuation will be as at March 31, 2014, with results available in 2015. The actuary does not attribute portions of the unfunded liability to individual employers. Employee and employer contributions to the plan were each increased by 0.40% of salaries effective April 1, 2012 in accordance with the plan actuary's recommendations. Contributions to the plan by the Trust totaled $283,811 (2013 - $245,590) during the year.

4. Obligations under capital leases:

The amounts due for obligations under capital leases are as follows:

2015	$ 14,965
2016	13,888
2017	13,791
2018	10,482
2019 and thereafter	9,623
Total minimum lease payments	62,749
Less amounts representing interest (at rates ranging from 2.25% to 6.25%)	7,484
Present value of net minimum capital lease payments	$ 55,265

Interest of $1,718 (2013 - $1,920) relating to capital lease obligations has been included in expenses on the statement of operations.

5. Tangible capital assets:

	Denman Island Site	Furniture and equipment	Computers	Leasehold improvements	Total 2014	Total 2013
Cost:						
Balance, beginning of year	$ 10,000	$ 119,099	$ 155,470	$ 244,268	$ 528,837	$ 476,581
Additions	-	39,754	18,550	-	58,304	60,008
Disposals	-	(45,790)	-	-	(45,790)	(7,752)
Balance, end of year	10,000	113,063	174,020	244,268	541,351	528,837
Accumulated amortization:						
Balance, beginning of year	10,000	78,565	112,454	202,839	403,858	341,423
Disposals	-	(37,141)	-	-	(37,141)	(7,752)
Amortization expense	-	16,632	24,932	17,748	59,312	70,187
Balance, end of year	10,000	58,056	137,386	220,587	426,029	403,858
Net book value, end of year	$ -	$ 55,007	$ 36,634	$ 23,681	$ 115,322	$ 124,979

5. Tangible capital assets (continued):

Contributed tangible capital assets:

Contributed capital assets have been recognized at fair market value at the date of contribution. There were no contributed assets received during 2014 or 2013.

In fiscal 1994, the Denman Island Ratepayers' Association donated $10,000 which was used by the Trust to purchase the Denman Island Old School Site from School District #71. The Trust agreed to facilitate the sale of the school site between School District #71 and the Ratepayers' Association and to hold title to the property on behalf of the community. The Denman Island Ratepayers' Association has leased the building on the site from the Trust for 99 years for a total fee of $10.

6. Accumulated surplus:

Accumulated surplus consists of:

	2014	2013
Invested in tangible capital assets	$ 60,057	$ 81,498
General Revenue Fund	2,365,020	2,322,225
	$ 2,425,077	$ 2,403,723

7. Budget data:

The budget data presented in these financial statements is based upon the 2014 operating budget approved by Trust Council on March 6, 2013. The following reconciles the approved budget to the budget figures reported in these financial statements.

	Budget amount
Operating budget:	
Revenue	$ 6,952,193
Less appropriation from surplus	(310,814)
	6,641,379
Expenses	6,952,193
Annual deficit	$ (310,814)

8. Classification of expenses by object:

	2014	2013
Staff salaries and benefits	$ 3,870,438	$ 3,757,191
Traveling/training and recruitment	160,699	160,912
Council and trustee costs	785,377	801,185
Office operations	876,356	883,645
Programs	450,526	385,797
Legal	298,206	288,344
Amortization	59,312	70,187
Total expenses by object	$ 6,500,914	$ 6,347,261

9. Commitments:

Minimum annual lease payments:

The Trust is committed to leases for rented premises. Minimum future payments in the next five years are as follows:

2015	$ 340,756
2016	281,845
2017	129,934
2018	9,173
2019	9,173

10. Contingent liabilities:

In the normal course of operations, claims for alleged damages are made against the Trust. Costs, if any, are recorded when a liability is likely and reasonably determinable.

11. Trust activities:

(i) Trust Fund under administration:

The Trust administers The Islands Trust Fund (the "Fund") which is related through the composition of the Fund's Board. The Fund is empowered to accept donations, grants and bequests on behalf of the Trust and to hold land and other property in compliance with a plan approved by the Ministry of Community, Sport and Cultural Development. The Fund's Board is comprised of three members from Trust Council and up to three members appointed by the Minister of Community, Sport and Cultural Development.

For financial reporting purposes, the Trust and the Fund are reported on separately. These financial statements present the financial position and results of operations of the Trust.

The Fund's annual expenses are funded by and reported as part of the Trust in accordance with The Islands Trust Act. These expenses are summarized as follows:

	2014	2013
Programs	$ 465,536	$ 457,587
Board	14,082	18,559
Administration	144,701	139,124
	$ 624,319	$ 615,270

(ii) Third party trust funds:

The Trust administers trust activities on behalf of development applicants on a cost-recovery basis. The activities are as follows:

	2014	2013
Cash received during the year	$ 10,300	$ 19,340
Cash paid during the year	15,735	34,132

The net payable from development applicants of $9,675 (2013 - $15,110) is reported as a liability on the statement of financial position.

Financial Statements of

THE ISLANDS TRUST FUND

Year ended March 31, 2014

KPMG LLP
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INDEPENDENT AUDITORS' REPORT

To the Trustees of the Islands Trust Fund Board, the Trustees of the Islands Trust Council and the Minister of Community, Sport and Cultural Development

We have audited the accompanying financial statements of The Islands Trust Fund, which comprise the statement of financial position as at March 31, 2014, the statements of remeasurement gains and losses, operations, changes in fund balances and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, The Islands Trust Fund derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of The Islands Trust Fund. Therefore, we were not able to determine whether, as at March 31, 2014 and for the years ended March 31, 2014 and March 31, 2013, any adjustments might be necessary to revenue and excess of revenue over expenses reported in the statements of operations, statements of cash flows and statements of changes in fund balances and current assets and fund balances reported in the statements of financial position. This caused us to qualify our audit opinion on the financial statements as at and for the year ended March 31, 2013.

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.
KPMG Canada provides services to KPMG LLP

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of The Islands Trust Fund as at March 31, 2014, its remeasurement gains and losses, its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Accountants

July 21, 2014
Victoria, Canada

THE ISLANDS TRUST FUND

Statement of Financial Position

March 31, 2014, with comparative information for 2013

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	2014 Total	2013 Total (Schedule 1)
Assets:						
Current assets:						
Cash	$ 31,828	$ 94,953	$ -	$ -	$ 126,781	$ 101,857
Short-term investments (note 2)	-	204,726	-	88,000	292,726	275,497
Inventory of fundraising items	2,228	-	-	-	2,228	2,288
	34,056	299,679	-	88,000	421,735	379,642
Land (notes 3 and 5)	-	-	7,073,903	4,974,000	12,047,903	11,620,903
	$ 34,056	$ 299,679	$ 7,073,903	$ 5,062,000	$ 12,469,638	$ 12,000,545
Fund Balances						
Unrestricted	$ 34,056	$ -	$ -	$ -	$ 34,056	$ 43,900
Investment in land (note 3)	-	-	7,073,903	-	7,073,903	6,856,903
Internally restricted (note 4)	-	16,160	-	-	16,160	16,124
Externally restricted (note 4)	-	283,519	-	-	283,519	231,618
Restricted for endowment purposes (note 5)	-	-	-	5,062,000	5,062,000	4,852,000
	$ 34,056	$ 299,679	$ 7,073,903	$ 5,062,000	$ 12,469,638	$ 12,000,545

The accompanying notes are an integral part of these financial statements.

Approved by the Trust Fund Board: _____ Board member _____ Board member

THE ISLANDS TRUST FUND

Statement of Operations

Year ended March 31, 2014, with comparative information for 2013

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	2014 Total	2013 Total (Schedule 2)
Revenue:						
Donations:						
Cash	$ 9,351	$ 21,071	$ -	$ -	$ 30,422	$ 9,933
Land	-	-	217,000	210,000	427,000	336,000
Grants	-	3,416	-	-	3,416	3,342
Rental income	-	10,200	-	-	10,200	10,200
Investment income	119	17,405	-	-	17,524	11,323
Sale of fundraising items	126	-	-	-	126	267
	9,596	52,092	217,000	210,000	488,688	371,065
Expenses:						
Repairs and maintenance - Alton property	-	126	-	-	126	6,709
Cost of sales of fundraising items	60	-	-	-	60	270
Bank charges	80	29	-	-	109	86
Donations to conservancy groups	19,300	-	-	-	19,300	9,769
	19,440	155	-	-	19,595	16,834
Excess (deficiency) of revenue over expenses	$ (9,844)	$ 51,937	$ 217,000	$ 210,000	$ 469,093	$ 354,231

The accompanying notes are an integral part of these financial statements.

THE ISLANDS TRUST FUND

Statement of Changes in Fund Balances

Year ended March 31, 2014, with comparative information for 2013

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	Total
Fund balances, March 31, 2012	$ 44,583	$ 228,828	$ 6,800,903	$ 4,572,000	$ 11,646,314
Excess (deficiency) of revenue over expenses	(683)	18,914	56,000	280,000	354,231
Fund balances, March 31, 2013	43,900	247,742	6,856,903	4,852,000	12,000,545
Excess (deficiency) of revenue over expenses	(9,844)	51,937	217,000	210,000	469,093
Fund balances, March 31, 2014	$ 34,056	$ 299,679	$ 7,073,903	$ 5,062,000	$ 12,469,638

The accompanying notes are an integral part of these financial statements.

THE ISLANDS TRUST FUND

Statement of Cash Flows

Year ended March 31, 2014, with comparative information for 2013

	2014	2013
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	$ 469,093	$ 354,231
Item not involving cash:		
Donation of land	(427,000)	(336,000)
Changes in non-cash operating working capital:		
Inventory of fundraising items	60	270
Accounts payable	-	(29,880)
	42,153	(11,379)
Investing activities:		
Increase in short-term investments	(17,229)	(10,895)
Increase (decrease) in cash	24,924	(22,274)
Cash, beginning of year	101,857	124,131
Cash, end of year	$ 126,781	$ 101,857

The accompanying notes are an integral part of these financial statements.

The Islands Trust (the "Trust") is incorporated under The Islands Trust Act of British Columbia (as amended). The objectives of the Trust are to preserve and protect the Trust area and its unique amenities and environment for the benefit of the residents of the Trust area and of the Province generally.

The Islands Trust Fund (the "Trust Fund") is also incorporated under The Islands Trust Act of British Columbia and is empowered to accept donations, grants and bequests on behalf of the Trust and to hold land and other property in compliance with a Trust Fund plan approved by the Ministry of Community, Sport and Cultural Development.

The Trust Fund is administered by the Trust and for financial reporting purposes, the Trust and the Trust Fund are reported on separately. The Trust Fund's annual expenses are funded by and reported as part of the Trust in accordance with The Islands Trust Act. These financial statements present the financial position and changes in fund balances of the Trust Fund.

1. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards including the 4200 standards for government not-for-profit organizations:

(a) Fund accounting:

The Trust Fund follows the restricted fund method of accounting for contributions.

The Opportunity Fund reports unrestricted resources.

The Restricted Fund reports the assets, liabilities, revenue and expenses related to internally and externally restricted assets.

The Capital Fund reports the assets, liabilities, revenue and expenses related to the Trust Fund's capital assets.

The Endowment Fund reports resources that are contributed for endowment purposes.

(b) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. Management has elected to record all investments at fair value as they are managed and evaluated on a fair value basis.

Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations. In the years presented, there are no unrealized gains or losses and as a result no statement of remeasurement gains or losses has been included.

1. Significant accounting policies (continued):

(b) Financial instruments (continued):

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized gain is adjusted through the statement of remeasurement gains and losses. When the asset is sold, the unrealized gains and losses previously recognized in the statement of remeasurement gains and losses are reversed and recognized in the statement of operations. All investments held by the Trust Fund are classified as Level 2 investments for fair value measurement and there were no changes in classification in the years presented.

(c) Land:

Purchased land is recorded at cost. Contributed land is recorded at estimated fair value at the date of contribution.

(d) Revenue recognition:

Restricted contributions are recorded as revenue of the appropriate restricted fund when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.

Unrestricted contributions are recorded as revenue of the Opportunity Fund in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Contributions for endowment are recorded as revenue in the Endowment Fund balance.

Interest income earned on Endowment Fund resources is restricted for the purpose of maintaining certain specified property and is recorded in the Restricted Fund. Interest income of internally restricted funds is recorded as revenue of the Restricted Fund. Other interest income is recorded as revenue of the Opportunity Fund when earned.

All other forms of income are recorded as revenue of the Opportunity Fund when received or receivable.

1. Significant accounting policies (continued):

(e) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the period. Significant estimates include assumptions used in estimating the fair value of contributed land at the date of contribution. Actual results could differ from those estimates.

2. Short-term investments:

Short-term investments consist of a guaranteed investment certificate, short term investment certificate and Municipal Finance Authority of British Columbia ("MFA") Intermediate and Money Market Funds. Investment certificates mature on April 16, 2014 and have interest rates ranging from 1.00% to 1.55%. Investments in MFA Funds are recorded at cost plus earnings reinvested in the funds.

3. Land:

	Acquisition date	2014	2013
Inner Island Nature Reserve, Denman Island	1992	$ 70,000	$ 70,000
Coats Millstone Reserve, Gabriola Island	1994	100,000	100,000
Medicine Beach Nature Sanctuary, North Pender Island	1996	477,000	477,000
Cunningham Reserve, Salt Spring Island	1994	265,000	265,000
Deep Ridge Reserve, Salt Spring Island	1992	255,000	255,000
Lower Mt. Erskine Nature Reserve, Salt Spring Island	1996	284,000	284,000
Kwel Nature Sanctuary, Lasqueti Island	1997	195,497	195,497
Singing Woods Nature Reserve, Bowen Island	1999	157,000	157,000
Trincomali Nature Sanctuary, Galiano Island	2001	242,406	242,406
Horton Bayviary Nature Reserve, Mayne Island	2002	210,000	210,000
Morrison Marsh Nature Reserve, Denman Island	2006	438,000	438,000
Brigade Bay Bluffs Nature Reserve, Gambier Island	2006	150,000	150,000
Long Bay Wetland Nature Reserve, Gambier Island	2006	305,000	305,000
Elder Cedar Nature Reserve, Gabriola Island	2007	658,000	658,000
Mount Artaban Nature Reserve, Gambier Island	2009	1,177,000	1,177,000
Fairy Fen Nature Reserve, Bowen Island	2011	1,817,000	1,817,000
Laughlin Lake Nature Reserve, Galiano Island	2013	56,000	56,000
DL 58 Nature Reserve, Galiano Island	2014	217,000	-
		$ 7,073,903	$ 6,856,903

4. Restricted Fund balances:

	2014	2013
Internally restricted:		
McFadden property	$ 16,160	$ 16,124
Externally restricted:		
Alton Nature Reserve - maintenance fund	62,145	34,537
Morrison Fund	20,000	-
Covenant Defense Fund	60,974	59,992
Lasqueti Acquisition Funds	30,875	29,747
Gambier Acquisition Fund	109,525	107,342
	283,519	231,618
	$ 299,679	$ 247,742

The Covenant Defense Fund was previously named the Marilyn King – Covenant protection endowment.

5. Restricted for endowment purposes:

	Acquisition date	2014	2013
Short-term investments:			
Alton Nature Reserve - maintenance	2002	$ 88,000	$ 88,000
Land:			
Lindsay Dickson Nature Reserve, Denman Island	2001	2,200,000	2,200,000
Alton Nature Reserve, Salt Spring Island	2002	454,000	454,000
Properties acquired under the Federal Government Ecological Gifts program:			
Mt. Trematon Nature Reserve, Lasqueti Island	2006	320,000	320,000
David Otter Nature Reserve, Bowen Island	2007	620,000	620,000
John Osland Nature Reserve, Lasqueti Island	2012	890,000	890,000
Valens Brook Nature Reserve, Denman Island	2013	280,000	280,000
Burren's Acres Nature Reserve, Gabriola Island	2014	210,000	-
		4,974,000	4,764,000
Total restricted for endowment purposes		$ 5,062,000	$ 4,852,000

5. Restricted for endowment purposes (continued):

Investment gains on endowment funds for the year of $14,064 (2013 - $7,184) have been recorded in the Restricted Fund.

Two properties owned by the Trust Fund Board, the Lindsay Dickson property on Denman Island, and the Alton property on Salt Spring Island, were donated on the condition that the properties be used and managed in certain ways. The Lindsay Dickson property was donated "for so long as the land is used as a nature reserve for the use, benefit and enjoyment of the residents of B.C.". The Alton property is to be held, managed and preserved for its ecological environment and scenic features and not as a recreational park. The residence, gardens and driveway are to be preserved and managed for non-profit purposes.

In the event that these properties are not managed accordingly, the properties could revert to the Province of British Columbia in the case of the Lindsay Dickson Nature Reserve, and to the Executors of the donor's estate in the case of the Alton Nature Reserve.

Certain properties as listed in the preceding table were acquired under the Federal Government Ecological Gift program. Recipients of ecological gifts are responsible for maintaining the biodiversity and environmental heritage values of the property in perpetuity.

6. Related party:

The Trust is related to the Trust Fund through the composition of the Trust Fund's Board. The Trust Fund's Board is comprised of three members from the Trust's Council and up to three members appointed by the Minister of Community, Sport and Cultural Development.

The Trust Fund's annual expenses are funded by and reported as part of the Trust in accordance with The Islands Trust Act. The expenses are summarized as follows:

	2014	2013
Programs	$ 465,536	$ 455,441
Board	14,082	18,559
Administration	144,701	138,814
	$ 624,319	$ 612,814

7. Financial risks and concentration of risk:

The Trust Fund's financial instruments consist of cash, short-term investments and accounts payable. It is management's opinion that the Trust Fund is not exposed to significant interest, currency or credit risk arising from these financial instruments. The maximum exposure to credit risk at March 31, 2014 is the carrying value of cash and short-term investments. The Trust Fund deals with creditworthy counterparties to mitigate credit risk. The Trust Fund manages its liquidity risk by monitoring its operating requirements. Interest rate risk is not significant due to the short term nature of investments held. There have been no significant changes to risk exposure in the years presented.

8. Comparative figures:

Certain properties were reclassified from the Capital Fund to Endowment Fund in accordance with restrictions noted at the terms of the donation. The reclassification resulted in a decrease in land and fund balance of the Capital Fund and increase in land and fund balance of the Endowment fund of $890,000 at March 31, 2012 and $280,000 at March 31, 2013

THE ISLANDS TRUST FUND

Statement of Financial Position

Schedule 1

March 31, 2013

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	2013 Total
Assets:					
Current assets:					
Cash	$ 41,612	$ 60,245	$ -	$ -	$ 101,857
Short-term investments	-	187,497	-	88,000	275,497
Inventory of fundraising items	2,288	-	-	-	2,288
	43,900	247,742	-	88,000	379,642
Land (notes 3 and 5)	-	-	6,856,903	4,764,000	11,620,903
	$ 43,900	$ 247,742	$ 6,856,903	$ 4,852,000	$ 12,000,545
Fund Balances					
Unrestricted	$ 43,900	$ -	$ -	$ -	$ 43,900
Investment in land (note 3)	-	-	6,856,903	-	6,856,903
Internally restricted (note 4)	-	16,124	-	-	16,124
Externally restricted (note 4)	-	231,618	-	-	231,618
Restricted for endowment purposes (note 5)	-	-	-	4,852,000	4,852,000
	$ 43,900	$ 247,742	$ 6,856,903	$ 4,852,000	$ 12,000,545

THE ISLANDS TRUST FUND

Statement of Operations

Schedule 2

Year ended March 31, 2013

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	2013 Total
Revenue:					
Donations:					
Cash	$ 8,987	$ 946	$ -	$ -	$ 9,933
Land	-	-	56,000	280,000	336,000
Grants	-	3,342	-	-	3,342
Rental income	-	10,200	-	-	10,200
Investment income	188	11,135	-	-	11,323
Sale of fundraising items	267	-	-	-	267
	9,442	25,623	56,000	280,000	371,065
Expenses:					
Repairs and maintenance - Alton property	-	6,709	-	-	6,709
Cost of sales of fundraising items	270	-	-	-	270
Bank charges	86	-	-	-	86
Donations to conservancy groups	9,769	-	-	-	9,769
	10,125	6,709	-	-	16,834
Excess (deficiency) of revenue over expenses	$ (683)	$ 18,914	$ 56,000	$ 280,000	$ 354,231

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Islands Trust

Islands Trust Fund

BC Climate Action Community 2013

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